set a 19-day long in the country 10 days and that the country 10 days are considered to the country 10 days and that the country 10 days are considered to the country 10 days are considere

trais executive dis Serphen that house fromble between Contractors and retinguish the process of the Service Contractors are that Bennethable to the Contractors are that Bennethable to the Contractors are that Bennethable to the Contractors are t

Benefit Electric Paige the original sage:

the Course States and the Walder

the Care Service of the Walders of the promotion of the p

it was recognized to the same of the same

the course of the same Rolling Store P.

the first the The Elvis Predenting to

to at the little of the Teschaintan beg.

the disposal G

Activities and a second second

og man from the same and an and an and an and an analysis and analysis analysis and an analysis analysis analysis analysis ana

The terms of the second great and the second great great and the second great great

Pauce but B

TO CONTENIO

SONTENON TEN E

56 8000 COM 675 CV F.O. 800, FD 11 44 0-7000 ST. 1045

AA Aa Tiblees oo

EPA DOT

ademica (n. 1947). 1854

DOT - EPA

arte or at the

ברים "עם קורום במחום

MAN MANGETED - CTOSS

Surveysons same Title

TOS TAN FREE

S AUTOMOSILES

TRAORDINAIRES

MEN INSO CARE IN STOCK OF DIE FROMES

Water Carper.

KISTEL.

20 Your Classified Ad Quickly and b

INTERNATIONAL HETALD TRIBUTE

Process of the Control of the Contro

St Cores 1977

A . 74 3 4

KEAD OFFICE

2 th 2 200 th 2 1 1 1

SHOPE

Harden Age 1

A STATE OF THE STATE OF

MARKET ST.

to the second

Mary Super Super

4 1/2 mg 44.

14 4 56 5

m . 5 --

MES 277 6 2 15

100 min

ght 25 at 11

MITTED STATES

OUTH AFRICA

est of 4

A ....

A THE RESERVE TO THE PROPERTY OF THE PROPERTY

COMMENCION LA COMMENCION DE CAR THE EXCECU NOTOS CAR

APTACL AT E.F.T. STRATER SOME

Brown Fas De

Caurley Sam Cooke at

findly were among the P

Ahmet Errega

Vactor Harel the (150

... . den water har ben

The second Estimated the

Lings to European

ALTOSTATE

MERCEDES STEEL

FOR USA + 組収

March 1655 military

Der Tisiovalas

Andrew States of

NASSAR EXPORT

Manual take t 2-5000 Fast-1

TRANSC

THE STORY SALE

्रमा १० घरमा स्मृत्या स्मृत्या राज्यसम्बद्धारस्य

The selection of the second of

DAWAIL

INT'L DEAS

An order to state of

COEANNE

MOTORS

THE PARTY OF THE P

RG TEAM

PAGE

FOR MOS .

CLASSIFIE

12: of AEC .-- ...

# DOSEDIA ALTERNA

wet back

to at the last.

1 detail among

is heldere it fat.

A R company

oros Macleod.

ti dengaren wen

et realized tout ...

Mr. Museveni, speaking on Ra-dio Uganda, said he had dissolved

the ruling Military Council headed

by Lieutenant General Tito Okello. The radio station resumed broad-

casts Sunday for the first time since

The guerrilla leader said he

would soon establish a broadly

based government after consulting

with all parties. In the meantime,

he said, an interim administration

that has been running the guerrilla-

controlled area of southwest Ugan-

da for several months will adminis-

Mr. Museveni warned, accord-

ing to a radio broadcast, that the "liberation of Kampala" did not

mean an end to the war. The Asso-

ciated Press reported from Nairobi.

ly trained soldiers from previous

criminal regimes" were still at large and demanded that they be dis-armed. Soldiers loyal to the falter-

ing military regime still control the

selves as the government of Ugan-

He said the guerrilla organiza-

da. We are in effective control."

President Milton Obote in July.

He also announced the suspen-

reported from Washington.]

northern part of the country.]

He said that thousands of poor-

ter the Kampala area.

Friday afternoon.

PARIS, MONDAY, JANUARY 27, 1986

ESTABLISHED 1887

# Asset includer Mikhail Include Z. Wick. di U.S. Information director, quit the Social Plans, and Cheer 10 day is a standard to be a social Plans and the Rebels Seize Capital In Uganda, Dissolve Military Regime

KAMPALA, Uganda — Rebels of the Ugandan National Resistance Army seized Kampala, the capital, on Sunday. Their leader, Yoweri Museveni, said he had dissolved the ruling Military Council and would

Kampala fell to the rebels after street battles that began Friday between the guerrillas and government soldiers. Hundreds died on both

The bodies of the dead littered the streets as thousands of Ugandans came out of their homes to celebrate the takeover by guerrillas who have fought for power for five

# U.S. Gesture But No Aid Is Prospect For Savimbi

By Bernard Gwertzman New York Times Service

WASHINGTON - The Reagan administration has decided to seek a join) congressional resolution to provide the anti-Communist rebels in Angola with moral support, while at the same time opposing legislation giving them military or economic aid, administration and congressional sources have said.

Jonas Savimbi, the head of the leading rebel group in Angola, is due in Washington this week to seek military aid. Secretary of State George P. Shultz outlined the administration's latest approach in an interview Friday night.

The goal of the policy, aides said Saturday, is to show sympathy for the Angolan rebels while keeping alive U.S. efforts to bring about a diplomatic sertlement in southern Africa, which might be jeopardized by outright assistance.

Mr. Shultz has been seeking an effective way to show support for Mr. Savimbi's rebel group - which the administration recently called "a legitimate nationalist move-- without compromising U.S. efforts to achieve a diplomatic scintion between Angola and South Africa.

Washington, would lead to the independence of South-West Africa. also known as Namibia, and the withdrawal of 30,000 Cuban troops from Angola along with the pull-back of South African forces from South-West Africa. South Africa But the guerrillas and the military controls South-West Africa in defiance of United Nations resolutions for its independence.

Conservatives in Congress have proposed military and economic aid for Mr. Savimbi's group, the National Union for the Total Independence of Angola, or UNITA.

The White House has talked of a possible covert military program for the Savimbi group, Mr. Shultz indicated that he believed that for the diplomatic efforts to succeed, the United States had to have "a strong position," meaning a show of support for Mr. Savimbi.

A congressional aide said Mr. Shultz bad been looking into the possibility of covert military aid with the intelligence committees in Congress and had found considerable opposition from the commit-

Congressional aides said Mr. Shultz believed that it was important for Mr. Savimbi to receive strong public backing in Washingion, even if he left without any aid

Mr. L'avimbi's insurgents are supported militarily and economically by South Africa. One of the objections raised in Congress to aid to Mr. Savimbi is that it would be regarded as backing for Pretoria.

Mr. Shultz acknowledged that be opposed legislation extending military or economic aid to the Angolan insurgents because it would not promote a diplomatic solution.

"I think it would be well," Mr. Shultz said, "if Congress expressed itself in a general way, without any particular, precise commitment, but just in the general nature of what they support - including support for seeing a sensible settle-

(Continued on Page 5, Col. 7)



### Violent Death at a South African Funeral

Youths with knives and chubs chased and killed a black teen-ager whom they accused of taking part in the slaying of a community leader, Ampie Mayisa, at Leandra near Johannesburg. The in exchange for Pretoria lifting a three-week blockade. Page 5.

violence occurred at Mr. Mayisa's funeral. Meanwhile, a group of political fugitives from South Africa was deported from Lesotho

# Thatcher Says She Is Unimpaired by Crisis

New York Times Service

Eriya Kategaya, a gnerrilla spokesman in Nairobi, said at a LONDON - Prime Minister news conference: "We regard our-Margaret Thatcher, whose embattled Conservative government bas lost two Cabinet ministers this month, said Sunday that the recent tion was ready to talk to General resignations and the continuing cri-Okello "as a person," not as a gov-crument official. The general came sis would not undermine her government's effectiveness and she deto power after the army overthrew clared her intention to run for a third term in office.

Mr. Museveni accused govern-Mrs. Thatcher dismissed critiment troops of committing genocism of her handling of the controcide and said the culprits would be versy over the future of Britain's only helicopter maker. Westland PLC, and rejected any suggestion sion of foreign exchange dealings. [The U.S. State Department said that the public furor might lead her

to consider stepping down.
"I think I will know when it is that about 150 Americans in Uganda would be evacuated by aircraft time to go," Mrs. Thatcher said, to Kenya beginning Tuesday or responding to questions by journal-Wednesday, The Associated Press think that time has come. I would Mr. Museveni, a former defense like to go on to a third term. I minister, was to have become vice believe we can do so. I believe we chairman of the ruling council unshall do so."

der a peace pact signed with Gener-Mrs. Thatcher's comments came al Okello in Nairobi on Dec. 17. (Continued on Page 3, Col. 4)



Paul Channon

pressure within the Conservative Party. He resigned Friday, a day after Mrs. Thateber admitted in the two days after Leon Brittan, the House of Commons that Mr. Brittrade and industry secretary, re- tan had authorized and engineered signed in the face of mounting the leak of a confidential govern-

ment letter on Jan. 6 that served to Westland affair, she said, "It was a undermine Michael Heseltine, who comparatively small thing which resigned as defense secretary Jan.

The financially troubled belicopter company has become the object of two rival rescue bids. The first came from the United Technologies Corp. of the United States and Fiat SpA, while the second European companies.

Mr. Heseltine supported the European bid as essential for European collaboration in defense industries and to escape dependence on U.S. suppliers. The Thatcher gova private company Westland and its shareholders should decide its

Paul Channon, deputy minister at the Department of Trade and Industry, was appointed Saturday

to succeed Mr. Brittan. In the televised interview Sunday, Mrs. Thatcher blamed the continuing political crisis on Mr. Heseltine and his renegade stance in not conforming to the majority

decision of the eabinet. Of the

**Qadhafi Sails** 

To 'Confront'

U.S. 6th Fleet

By Judith Miller

New York Times Service

Moamer Qadbafi boarded an armed patrol boat Saturday and

sailed into the choppy waters of the Gulf of Sidra to stage what the Libyan leader called a "confronta-

tion" with the U.S. 6th Fleet.

MISURATA, Libya — Colonel

would never have assumed this proportion but for the fact that we bad that thing -one member not play-

ing as a member of the team." In an editorial Sunday, the Observer newspaper said that Mrs. Thatcher's handling of the Westland affair "raised growing doubts came from a consortium of five over, at best, the competence and, at worst, the integrity of the prime

minister herself."

A poll by the Harris Research
Center, published in the Observer, veyed think Mrs. Thatcher should

# U.S. Aides Favor A Distancing From Marcos

By Leslie H. Gelb New York Times Service

WASHINGTON - A consensus has developed in the Reagan administration that the departure is critical to a non-Communist future for the Philippines and American interests in that country.

This widely held view was made clear explicitly or indirectly in interviews last week with key officials from the White House, State Department, Pentagon and intelligence agencies.

The administration has decided. however, not to push Mr. Marcos from power by covert means, although that was considered by some officials. The decision was also taken not to make public attacks on him, although some officials have come close to this.

Instead, the policy is to distance the United States from its old ally by publicly questioning Mr. Mar-cos's statements that he is seeking to effect the economic and military changes the United States has sought Another element of the strategy is waiting, the officials said. Very soon, they said, they expect that Mr. Marcos's bealth will force him to withdraw from the

The public position of the White House and of other administration officials is that they will work with the winner of the presidential election Feb. 7, whoever that may be.

Privately, however, the key officials involved say that they expect Mr. Marcos to win, and they maintain that he must go if the necessary changes to get the country back on its feet are to be put into effect.

By the accounts of all the officials interviewed, President Ronald Reagan, Secretary of State George P. Shultz, and Defense Secretary Caspar W. Weinberger have apfound that 43 percent of those sur- proved the policy of distancing expressed by their subordinates. The erament's position has been that as resign, while 48 percent say she president and the two cabinet officers were not actively involved in the policy discussions, and all three went out of their way not to announce the change.

Albert R. Brashear, a White House spokesman, denied Saturday that there was any such consensus. He said: "We want to see the process of reform carried out across the board. We want to see

A Philippine government report links 13 slayings to the election campaign. Page 5.

free and fair elections. It's the pro cess that is important."

All the officials interviewed said that Mr. Reagan bad been briefed regularly about events in the Philippines and on the policy line to be followed, Several of them, however noted that Mr. Reagan's role had been essentially passive in policy formulation, which they thought might reflect his longstanding concerns about undercutting allies.

Administration officials fear U.S. identification with the Marcos government at a time of a growing anti-Marcos sentiment in the Philippines. Specifically, they worry that Mr. Marcos is unwilling to introduce what the United States considers to be needed changes and that his moderate opponents might unite with Communists in opposition to him.

Either eventuality could jeopardize American bases there, which are considered vital to U.S. power

in the Asian and Pacific areas. U.S. officials have urged Mr. Marcos to stem an economic downturn by taking steps to reduce corruption and break up monopolies, many of which are believed to be controlled by figures close to the Marcos family. The administration has also asked for greater efficiency

in the military, with promotions based on merit Although administration officials have decided that it would be in the best interests of the United

(Continued on Page 5, Col. 5)

### Spacecraft Finds a 10th Ring Around Uranus

The Voyager-2 discovered a 10th ring of particles orbiting Uranus as it hurtled toward the planet for the first close-up exploration. Scientists reported that the spacecraft also detected a 15th moon, a surprising tilt in the planet's magnetic poles and a bright halo like that of Jupiter and Saturn, Page 3.

### Senate Candidate Indicted in California At a news conference Friday,

By Judith Cummings New York Times Service

LOS ANGELES - Representative Bohbi Fiedler, seeking to op-pose Alan Cranston for his U.S. Senate seat this year, has been indicted by a Los Angeles County grand jury on a charge of offering an opponent \$100,000 to drop out nel Qadhafi stepping back ashore of the Republican primary.

After the charge was made pub-lic Friday, Ms. Fiedler said, "I have

done nothing wrong."

Ms. Fiedler was indicted along with Paul Clarke, a longtime political aide and close friend, after an investigation that was begun on the comfortable lead over all of them, basis of information provided by state Senator Ed Davis, who was considered to be her closest rival in the primary next June.

Mr. Davis, a former Los Angeles police chief, told a local prosecutor \$100,000 to pay off Mr. Davis's campaign debts in return for his withdrawal. Mr. Davis is still in the

The indictment also was based in part on a meeting between Ms. Fiedler and Mr. Davis's campaign manager, who was secretly wearing a recording device. The Washington Post reported. In that meeting,

Ms. Fiedler insisted that she wanted no "quid pro quo" for helping to Ms. Fiedler and Mr. Clarke deretire ber rival's campaign debts. nounced their indictments as politone of Ms. Fiedler's supporters ically motivated but refused to ansaid Saturday.] swer questions about the alleged bribe. This has got to be one of the

News of the indictment came in the early stages of what is develop- greatest political dirty tricks of all ing into a tough contest for the seat beld by Mr. Cranston, 71, the three-term Democratic incumbent.

Eleven Republicans either have announced they will seek the party's nomination or are believed close to doing so. None of the primary candidates are believed to have a commanding edge, and Mr. Cranston is viewed as having a

time," Mr. Clarke said. Ms. Fiedler asserted that she would continue to campaign for the nomination.

Ms. Fiedler and Mr. Clarke are cheduled to be arraigned in Los Angeles on Monday. They are charged with violating a section of the California election code that (Continued on Page 5, Col. 5)

Page 7.

### INSIDE

Diogo Freitas do Amaral and Mario Soares were forecast as winners

of the first round of Portugal's presidential election. ■ President Reagan rejected new pleas by members of Congress for a tax increase.

BUSINESS/FINANCE

■ U.S. machine-tool orders declined in 1985.

■ Texas Instruments' fourth-quarter loss was \$41.2-million. Page 7.

SPECIAL REPORT

Latin America: At the critical point, debtor countries on the continent look to a political solution.



TURKEY

# Analysts Say Dollar Is Near Its Low, Predict a Rise

By James Crate mal Herald Tribune

PARIS - The dollar, which has fallen an average of 16 percent since the Group of Five industrial nations agreed in September to devalue it, is at or near its bottom and could strengthen this year, according to currency analysts and economists surveyed in recent weeks.

Since their agreement at New York's Plaza Hotel on Sept. 22, the five — the United States, Japan, West Germany, Britain and France - have helped knock an already weakening dollar lower through a concerted policy of central bank lenged by an increasingly fractious "jawboning" and direct interven- G-5 partnership. tion in currency markets.

dollar this year will be buoyed by said Frederick Schultz, vice chairimproving U.S. economic perfor-mance relative to its principal trading partners - a pickup that promises to be led by export growth in

FRANCE

3 SPAIN

**NEWS ANALYSIS** the second half - and by continu-

ing high interest-rate differentials on dollar investments. These upward pressures will be reinforced by normal, built-in demand for the currency in its traditional "safe haven" and international financing roles, they say, and

Everyone is still buying dollars; But according to analysts, the it's still the currency of the world,"

are unlikely to be seriously chal-

man of the Federal Reserve Board not this year anyway," he said. under President Jimmy Carter and now a senior economic adviser to Drexel Burnham Lambert in New York. "Our economic prospects are still better than Europe's and our long bonds still offer a substantial rate differential over Japan. That will remain a key to the dollar's

prospects this year." Rimmer deVries, senior vice president and chief economist of J.P. Morgan & Co. of New York, says that the key to a weaker dollar in 1986 would be better economic growth among the chief U.S. tradng partners, which would act to reduce foreign demand for dollar

Most analysts surveyed differ on the specifics and timing of the dollar's likely course this year. Even the staunchest dollar bulls do not see the currency resuming its

Analysts said they foresaw the dollar ending the year at or near its current levels of 2.40 Deutsche marks, 200 yen and 7.50 French

ments leading to a strong dollar coming into place, it will not be

Colonel Qadhafi aboard a

patrol boat before sailing

into the Gulf of Sidra:

strength at anywhere near pre-accord levels.

area because it contains Libyan oil They agree that with the ele-

easy to keep a lid on the currency. Significantly, they note, this up-(Continued on Page 13, Col. 5)

### The colonel, wearing a royal blue jump suit trimmed in emerald green, waved his swagger stick at about 20 foreign reporters who had been taken to Misurata, 120 miles (194 kilometers) east of Tripoli, to witness his defiance of U.S. air and naval maneuvers off the Libyan

COSSL

"I am sailing out along parallel 32.5 to stress that this is the Libyan border," Colonel Qadhafi said, referring to Tripoli's claim that the entire 150,000-square-mile (388,000-square-kilometer) Gulf of Sidra, between Misurata and Benghazi, is Libyan territorial waters.

"This is the line of death where we shall stand and fight with our backs to the wall," be said through an interpreter. The colonel's patrol boat was

last seen by reporters steaming northeast into the gulf. [Libyan television showed Coloin Misurata later Saturday after-

ported from Tripoli.]
The United States had informed Tripoli International Airport on Thursday that U.S. combat planes based on the aircraft carriers Saratoga and the Coral Sea would be conducting exercises off the Libyan

noon to the cheers of the assembled

sailors, The Associated Press re-

Washington has said the maneuvers are part of a demonstration of "U.S. resolve" to operate in international waters and airspace, Colonel Qadhali said Saturday that the United States "has no right

coast for the next week.

rigs, gas and oil fields and other economic interests." "This confrontation is beyond parallel 32.5 in the Libyan economzone and Libyan continental shelf, which stretches to the begin-

that "an intermediary representing the Bobbi Fiedler campaign" had contacted one of his aides offering to stage military maneuvers" in this

(Continued on Page 5: Col. 7)

# **Soviet Aide** In Charge Of Police Is Replaced

By Celestine Bohlen Washington Post Service MOSCOW — The Soviet interior minister, General Vitali V. Fedorchuk has been moved out of his job to await a "new appointment," Tass has reported.

General Fedorchuk, 67, had held the post for three years. He is a former head of the KGB and was a close associate of Yuri V. Andropov, the Soviet leader who died in February 1984.

The wording of the Tass an-nouncement Saturday indicated that General Fedorchuk was in good standing with the Communist Party leadership and might be pro-moted, Western analysts in Moscow said.

The new interior minister is Alexander V. Vlasov, 54, who for the past 10 years had served as a regional first secretary of the party. He has no known police background. The Interior Ministry is responsible for the Soviet Union's miformed police and prosecutorial

General Fedorchuk, who was head of the KGB in the Ukraine, succeeded Mr. Andropov as chief of the security police in May 1982. Seven months later, Mr. Andropov, in one of his first moves as Soviet leader, moved his old associate to the Interior Ministry, where his duties included a drive against cor-

General Fedorchuk replaced Nikolai A. Shcholokov, who was imported Saturday from Moscow, cials have said that Mr. Yurchenko
Such a proposal followed Mr. Plicated in corruption scandals quoting a Soviet television report. provided tips that could lead to Yurchenko's return to Moscow.



Vitali V. Fedorchuk

during the last days of Leonid I Brezhnev's tenure. Mr. Shcholokov was stripped of his party rank and was awaiting trial when he died to who escaped by helicopter last December 1984, apparently of a spone from East Germany. self-inflicted gunshot wound.

A new and broader campaign

sional source said.

Another described the defector

According to that source, the of-

ficer was questioned at an Ameri-

can military base in West Germany

before traveling to the United States, where he has assumed a new

The Central Intelligence Agency

would not confirm the reported de-

Two of the congressional sources said the CIA had gone to great lengths to keep information about the defector from being disclosed, largely because publicity might have upset the summit meeting in November between President Ronald Representations of the Property of the

ald Reagan and Mikhail S. Gorba-

chev, the Soviet leader.
Details of the defection were re-

American law enforcement offi-

Rupert Murdoch

The building, equipped with the

Journalists on the News of the

spokesman, said editorial employ-ces on The Sunday Times would

remain at their central London of-

The strike against News Interna-

battle this year between unions and

newspaper publishers determined to introduce cost-saving computer

technology, The New York Times

reported from London.

Three new national dailies are

scheduled to appear this year, led

by Today. Its publisher, Eddie Shah, has built a modern printing

Star, said Friday it needed to cut a

third of its 6,000 workers to sur-

■ Battle Is Just Beginning

intelligence and security agency,

spring from East Germany.

regainst corruption has been started in recent months. Rumors have circulated throughout the government of officials being dismissed and even arrested for misdeeds. Mikhail S. Gorbachev has made

sweeping personnel changes in government, in the party and in the Politburo since he became general secretary of the party in March

According to a tally by one Western analyst, 19 of 59 ministers have been changed since then, as well as 45 of 159 regional party first secretaries and four of 14 party first secretaries in the Soviet republics.

■ Grishin Still in Polithuro ■ Grishin Still in Polithuro

Viktor V. Grishin, who was removed last month from his post as leader of the Moscow city Commusive said that the defector was a leader of the Moscow city Commu-nist Party, is still a member of the major general in the KGB. Politburo, The Associated Press re-

Is Called Very Valuable numerous arrests of Soviet spies working in the United States. Ronald W. Pelton, a former em-New York Times Service WASHINGTON -A KGB ofployee of the National Security ficer who fled the Soviet Union last Agency who was reportedly identiyear may be the most valuable defied by Mr. Yurchenko, is awaiting fector to the United States in recent

KGB Defector to U.S.

years, congressional sources said The defector is providing infor-mation that 'is much more impor-But there have also been accusations that Mr. Yurchenko was a double agent sent to the United tant" than that provided by Vitaly S. Yurchenko, the Soviet intelli-gence official who defected to the States to disrupt intelligence agencies. He fled from a U.S. intelligence officer at a Washington res-West last summer but returned to Moscow in November, a congrestaurant in November. After a news conference at which he accused the CIA of kidnapping him, he went

trial on espionage charges in Mary-

as a senior officer of the KGB, the The CIA has denied that Mr. Yurchenko was held against his

> been skeptical of the value of Mr. Yurchenko's information said Saturday that the newly disclosed official's defection appeared to be le-

> The source said the defector had "technical" knowledge and had traveled frequently to Soviet bloc countries but would not elaborate on the defector's responsibilities in

> Another source said it was possi-ble that the Soviet official was a double agent.

> A source close to the situation said it was unclear why the defec-tor's existence had been disclosed to reporters. But that source sug-gested that intelligence officials may have released the information to blunt a reported proposal to shift responsibility for defectors from the CIA to the FBL.

# Freitas Faces **Runoff With** Soares in **Portugal** LISTON — Diogo Freitas do Amaral, a rightist, and Mário Soares, the former leftist prime minister, were expected to win the

most votes in Sunday's presidential

guese news agency ANOP.

would have 7 percent. .

needed to win in the first round.

election in Portugal, according to official forecasts Sunday. The two then would face each other in a had fully embraced democratic civ-il rule since the revolution in 1974. The other two candidates, Francisco Salgado Zenha, a Socialist Mr. Eanes, a hero of the revolution who enjoyed great popularity, won landshide victories in the two candidate, and Maria de Lourdes Pintassilgo, a former prime minister, have conceded defeat, their last presidential elections in 1976 campaign officials told the Portu-

ately run for the office again.
The military Council of the Rev-The official election secretariat olution, which oversaw the transipredicted that Mr. Freitas do tion to democracy after 1974, was abolished in 1982 when the armed Amaral, 44, a former foreign minister and defense minister, would win 46.8 percent of the vote and that forces that toppled the prerevolutionary rightist dictatorship were made fully subordinate to civil gov-Mr. Soares, 61, would receive 25.2

The election office forecast that The four candidates in Sunday's Mr. Zenha, who was backed by the election pledged to lead Portugal into an era of progress and stability to coincide with membership in the Communist Party, would win 21.1 percent and that Miss Pintassilgo European Community. Mr. Freitas do Amaral's sup-porters had hoped that he would

Mr. Freitas do Amaral based his campaign on restoring national confidence, echoing the program of the governing Social Democratic gain the 50 percent of the vote His task will be more difficult in Party, which supported his candi-

the runoff, where Mr. Soares is likely to pick up a large proportion of his defeated rivals' votes. All candidates to replace outgo-Of his rivals, Mr. Soares, a veter an Socialist and prime minister three times since 1974, argued he ing President General António Raalone had the experience that could malho Eanes are civilians. They guarantee political stability for the and other political leaders wel-

# Diogo Freitas do Amaral.

BONN (UPI) — Prime Minister Shimon Peres of Israel arrived Sunday Bonn for a four-day visit to West Germany after telling Europe that its reflectance to impose sanctions on Libya would cause innocent blood to

About 60 protesters, including some Palestinians, demonstrated near the Israeli Embassy in the suburb of Bad Godesberg before Mr. Peres arrived. They were protesting Israeli policy towards Arabs in the occupied territories. Police said that there were no incidents and that the demonstration broke up before Mr. Peres left the airport. He had traveled

WORLD BRIEFS

Threat to Kill Pope Reported in India

NEW DELHI (Reuters) — Church authorities in the southern city of
Madras have received a letter threatening Pope John Paul II during his
visit to India next month, the Press Trust of India news agency reported

Sunday.

It quoted a spokesman at the archbishop's office in Madras as saying the letter, signed "Peace Panthers," read: "Caution, advise Pope John Paul II not to enter. Otherwise we will shoot him." The church spokesman

said the letter had been sent from Calcutta a month ago. W.I. Davaran.

the Madras police commissioner, denied that the letter existed, the

The pope arrives in New Delhi on Saturday for a 10-day tour. His visit

to India, which has only 12 million Carholics in an overwhelmingly

Hindu population of 750 million, has already drawn criticism from

militant Hindu groups who are concerned about alleged church efforts to

Peres, in Bonn, Criticizes Europeans

### Hussein, Arafat Meet on Peace Efforts

AMMAN, Jordan (AP) - King Hussein of Jordan and Yasser Arafat, the Palestine Liberation Organization chairman, met twice Sunday and planned a third meeting Monday, the PLO announced Sunday. The two leaders reportedly have been under pressure to advance Middle East

Mr. Arafat and sine other PLO officials had lunch with Hussein at his hilltop palace. After a two-hour break, Mr. Arafat returned to meet alone

There was no description of the meeting released by either the PLO or by the official Jordanian news media. The PLO, however, indicated that a third meeting was planned.

### Karmal Urges U.S. to Halt Rebel Aid

KABUL, Afghanistan (Renters) - President Babrak Karmal urged the United States on Sunday to stop aiding anti-government guer-rilles if Washington wants an end to the six-year war between them and his Soviet-backed government. Mr. Karmal told Western report-

ers on a rare visit to Afghanistan that the United States, which last month said it would help guarantee any negotiated settlement to the war, also would have to pressure Pakistan into signing a peace settlement with Kabol.

He said some Soviet military advisers might stay in Afghanistan, even if a settlement were reached in UN-sponsored peace talks in Geneva, if outside interference in Afghanistan's affairs continued.



# Murdoch Fires 6,000, Prints at New U.K. Plant

LONDON - Rupert Murdoch produced his two Sunday newspapers in Britain at a new computer-ized plant, defying a strike by 6,000

Mr. Murdoch dismissed his print, packaging and distribution employees on Friday. The action halted production Saturday of his daily newspapers, The Times and The Sun, in what industry analysis saw as the first stage in a showdown with traditional print unions over computer technology.

Mr. Murdoch printed his two Sunday newspapers, The Sunday Times and the News of the World, at the new plant Saturday night.

"We're a little late tonight," Mr. Murdoch said. "We had a computer bustup. We were a little late practice we will get them out."



BACHELOR'S . MASTER'S . DOCTORATE for Work. Academic, Life Expe Send detuiled resume

PACIFIC WESTERN UNIVERSITY 600 N. Sepulveda Blvd. Las Angeles, California 90049, Dept. 23, U.S.A.

which have a combined circulation of over 6.3 million, was disrupted and in many areas papers failed to reach newsstands. Home deliveries also were irregular.

With computer technology, articles are written and automatically set on computer terminals. The system is used widely in the United States and increasingly in Europe. But at most British newspapers, reporters write on typewriters, and

printers set the type by hand.

Mr. Murdoch denied that he was trying to break the print unions, which have a combined memberwhich have a combined member-ship of 6,000 at his old plants, by crate the £100-million (\$140-milfreezing them ont through the in- lion) plant. troduction of computerized pro-

"I am out to preserve my news-papers and people who do work for them," he said. "We put that ahead of everythme."

of everything." A group of pickets failed to halt World, which has a circulation of n of the Sunday newspamore than five million, voted overwhelmingly to move to Wapping for an additional £2,000 pounds pers and their distribution from the new installation at Wapping about for an additional £2.

3 miles (5 kilometers) from the old each a year in salary.

plants in the Fleet Street area. The unions, the National Graphical Association and the Society of Graphical and Allied Trades, offered concessions to management fices. but Mr. Murdoch said they had

come too late. Mr. Murdoch, whose News International is Britain's largest newspaper group, hired electrical

WORLDWIDE ENTERTAINMENT

# U.S. Sees 'No Change' In Soviet Stance on SDI

By John Tagliabue New York Times Service

BONN - A senior U.S. official has asserted that there has been "to this day no change" in the Soviet Union's opposition to research for President Ronald Reagan's spacehased missile defense plan.

U.S. officials recently have shown interest in statements by So-viet leaders that repeated Moscow's fundamental opposition to the plan but made no mention of

Soviet officials had said previously that progress in arms control was possible only if the United States renounced all aspects of the space defense system, which is known formally as the Strategic

But Mikhail S. Gorbachev did not specifically mention a ban on research when he announced new arms proposals on Jan. 15, the eve of the resumption of arms control

negotiations at Geneva. The Soviet leader said his plan would be feasible if both superpowers "mutually renounce the development, testing and deployment of space strike weapons."

Georgi M. Korniyenko, the Soviet first deputy foreign minister, said five days later that the Soviet Union was not seeking a ban on basic research" but a ban on research that was "goal-oriented or tional is viewed as just the start of a directed specifically toward designing or developing a weapons sys-

Soviet statements usually had included the more general phrase "in-cluding scientific research," the U.S. official said.

The official said Friday, however, that "those three words have reappeared in Geneva." He said the

distinction between basic and applied research was not reflected in Arab Links the Soviet position at the talks.

A Soviet space weapons expert, Yevgeni P. Velikhov, was quoted Friday in Brussels as saying that the Soviet Union was not seeking a ban on basic research but a ban only on the advanced development. testing and deployment of space Weapous.

Reuters quoted a Soviet diplomat as saying that Mr. Velikhov, one of several Soviet experts who met last week with West European leaders, had told Belgian legislators that the Soviet Union was not opposed to laboratory research and exploratory development.

But the U.S. official said Soviet negotiators in Geneva distinshed between "purposeful" and nonpurposeful" research in informal discussions.

The term "purposeful" he said seemed only to describe research in ety" that declares the intent of rerch. The term apparently did not include the Soviet Union. where research is carried out without declaring its intent.

cepted only "nonpurposeful re-

tists, United Press International reported from Washington

Cheap space mines, nuclear-tipped rockets and other shortrange weaponry could be quickly deployed to knock out such a system, the report said.

# **Aden Vows** To Improve

ADEN, South Yemen - South Yemen will continue its policy of improving relations with other countries in the Arabian peninsula, Foreign Minister Abdul Aziz Dali said after meeting here Sunday with the Kuwaiti ambassador.

Mr. Dali made the pledge as Aden's leaders assessed the damage caused by 12 days of fighting, which led to the overthrow of President Ali Nasser Mohammed. South Yemen's interim presi-

dent, Havdar Abu Bakr Attas, also met the Soviet ambassador, Vladislav P. Zhukov, on Sunday to discuss ways to stabilize the country, Aden Radio said.

Mr. Attas, who had been the prime minister under Mr. Nasser ammed returned from Mos cow on Saturday. Mr. Attas dethe United States, "an open soci- scribed the Soviet Union's support as important in helping to develop the nation, the radio said.

The Soviet Union, apparently taken by surprise by the conflict in South Yemen, its only ally in the Arabian peninsula, has tried to mediate between the two warring Marxist factions of the roling Yemen Socialist Party.

Meanwhile, a Palestinian group represented in South Yemen denounced what it said were moves by anti-revolutionary forces on the

tine, did not elaborate, but it apparently was referring to exiled South Yemenis opposed to Marxist For the Record rule in the country.

There was still no firm word on

the whereabouts of Mr. Nasser Mohammed, who was reported earlier by sources in North Yemen to be in his home region of Abyan, east of Aden.

In North Yemen, diplomatic sources said a radio station apparently broadcasting from Abyan said Mr. Nasser Mohammed had given his opponents until Wednesday to surrender or face a counter-

In Aden, buildozers Sunday removed charred tanks from the streets as authorities organized mass burials for the victims of the power struggle. Unofficial estimates said up to

10,000 people may have died in the city of 350,000. Government offices, banks and schools stayed shut Sunday, but shops were open.
In Djibouti, British officials said Sunday that South Yemen had banned more evacuations of forsigners by sea. They said the approximately 1,000 who remain. most of them Indian construction workers, had been told to leave by

More than 6,000 foreigners from about 50 countries had arrived in Difbouti by sea in the past week. The Aden amport was closed after fighting began Jan. 13. Officials at Diibouti said Sunday they had

Zhivkov, has been promoted in a Libyan television said Saturday party reshuffle, the Bulgarian press that Mr. Nasser Mohammed had telephoned the Libyan leader, Col-onel Mosmer Qudhafi, pledging South Yemen's support to Libya in and Stanish Bonev, a candidate Po-

Sierra Leone Inauguration

the face of U.S. actions.

Agence France-Presse FREETOWN, Sierra Leone -Sierra Leone's new president, Masecretary of the Central Commit- jor General Joseph Saidu-Momok, pledged Standay to enact radical economic reforms and establish a medical system accessible to all at an inauguration ceremony attended by an estimated 40,000 people.

### U.S. Softens Farm Foreclosure Plan

WASHINGTON (NYT) - The Farmers Home Administration has said that it would scale back and soften a program it announced in December to send foreclosure notices to thousands of U.S. farmers who owe the government a total of \$6 billion.

Vance L. Clark, the agency's administrator, said Friday that the

original notices had been rewritten "in order to reduce some of the fear this thing has caused." The revised notices are to be mailed to 27,000 farmers who are delinquent in their payments to the agency by three years

Initially the notices were to have been sent to 80,000 farmers who were behind in their payments by more than one year and \$100. Mr. Clark said borrowers with lesser financial troubles. He said both were to be mailed Feb. 10, pending the outcome of a lawsuit in U.S. District Court in North Dakota, where farmers are seeking to stop the agency from moving ahead

### 4 Die, 24 Missing in Chilean Explosion

IQUIQUE, Chile (UPI) — Explosions at Chile's largest bomb factory have killed as many as 28 people and injured 11, police said. Workers recovered four bodies, and officials said 24 employees of the plant were missing and presumed dead after the explosion Saturday in a part of the Cardoen armaments factory where cluster bombs are armed.

Julio Rodriguez, spokesman for Cardoen Industries Ltd., owner of the weapons factory, said the explosion occurred Saturday during production of the company's 500-pound (225-kilogram) cluster bomb. border with North Yemen.

The group, the Democratic
Front for the Liberation of Pales
He said the company had no information about the cause of the blast at the factory, about 1,100 miles (1,750 kilometers) north of Santiago. A police spokesman said the explosion appeared to be accidental.

Israel's first ambassador to Spain will be Shmuel Hadas, Israel's official representative there, the government announced Sunday in Jerusalem. Spain's ambassador to Israel will be Israel Pedro López Aguirrebengoa, a

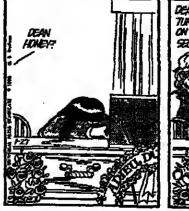
Irish police raided three farms Sunday and sezzed 140 guns and a large quantity of ammunition they believed was intended for the Irish Republican Army in Northern Ireland. The farms were in the counties of Sligo

Jean-Claude Duvelier, Haiti's president for life, in an apparent bid to stem criticism of its human rights record, announced Saturday the arrests of three men charged in the murders of three students during protests in (UPI)

President Mobute Sese Seko of Zaire has ordered the release of a Belgian socialist militant, Ronald van den Bogaert, 38, whose 10-year prison sentence for alleged subversion has strained ties between the nations, the Belgian Foreign Ministry said Sunday. (Reuters)

General Abdul Rahman Swareddahah, Sudan's military ruler, promised Sunday in Khartoum to withdraw the army from the government after elections in April (Reuters)

### **DOONESBURY**







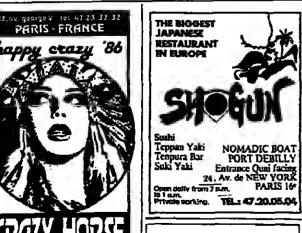


MELL, IT CONCERNS

### plant that requires a fraction of the workers employed in traditional The pressure from the newcomers is leading other newspaper pub-B p.m. Diner Dance lishers to modernize their operations despite union resistance.

Champagne and Revue 440 F. 10 p.m. and midnight Champagne and Revue 300 F. NET PRICES TIP INCLUDED

Conrad M. Black, the Canadian financier who recently bought The Daily Telegraph and The Sunday Telegraph, is also expected to push for job cuts.



at the bar only 250 frs • 15° service charge Watch for this feature

for and away

the best nude revue in the world

MONDAY.

WEDNESDAY

& FRIDAY



See you

Singel 295. Amsterdam All major credit cards accepted.



tonight! Brignolles had asked for life for all three, saying the case was a test of the law's attitude toward racism. Yab Yum Alen Stul



The court found Marc Béani, 22. and Anselmo Elviro Vidal 28. guilty of murder. A third defen-dant, Xavier Blondel, 26, was found guilty of causing grievous bodily harm and sentenced to 14 years in prison.

killing Habib Grimzi, a 26-year-old Algerian, as they took a train in November 1983 on their way to start training with the Foreign Le-Public Prosecutor Jeao-Louis

practised everywhere and by every-The three admitted killing Mr. Grimzi, but their lawyers argued that they had acted in a general climate of racism and could not be held individually responsible.



# Assembly to Express Newspapers Co., which publishes The Daily Express, The Sunday Express and The Daily Discuss Pact

BEIRUT - President Amin Gemavel of Lebanon said Sunday that a Syrian-mediated peace agree-ment that he has rejected would be referred to parliament.

objected. He said that Mr. Gemayel should take a "positive position" by approving the agreement.

A presidential statement called a cabinet meeting for Monday to send the agreement to the National Assembly. The cabinet has not met since November. If it could not sit Monday, Mr. Genrayel said he would present the accord directly to the president of the chamber. The agreement was signed Dec. 28 by Elie Hobeika, leader of the stabbed and threw from a speeding Christian militia, the Lebanese Forces, and by leaders of two Moslem militias. It calls for a cease-fire

> Moslem majority more political Mr. Gemayel, a Maronite Christian, rejected the agreement and beloed to depose Mr. Hobeika. Hundreds died in mid-January in the conflict between Christian factious.

Syria reacted by ordering pro-

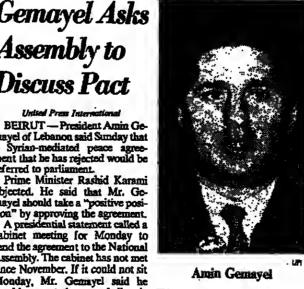
Syrian militias to exert pressure on

Mr. Gemayel's stronghold at Bik-

faya, near Beirut

and reforms to give Lebanon's

Mr. Karami, a Sunni Moslem, said Sunday that "submitting the "This is racism and barbarism as agreement to parliament in this practised everywhere and by every-manner is out of the question." The assembly is Christian-dominated, and would probably amend the peace accord. Syria wants the agreement to be implemented by Mr. Gemayel without reference to



### Sofia Reshuffles **Party Positions**

BELGRADE — A member of not been notified of its reopening, the Bulgarian Communist Party Polithuro, Chudomir Alexandrov, who is widely seen as a possible flight to Aden on Sunday was cansuccessor to the party chief, Todor celed. secucy BTA said Sunday. The agency also said that Todor Bozhinov, a full Politburo member.

from their posts. Western diplo-mats said both men's careers had been marred by the country's coonomic failings. Mr. Alexandrov, 49, was made tee, one of a handful of powerful party secretaries, at a two-day plenary session of the Central Committe in Sofia on Friday and Sat-

litburo member, had been removed

urday, the agency said.

RLD BRIEFS Pope Reported in India and Charles authorities in the souther for the state of India news agency rates a at the amb bishop's office in Madia at the Pantings. read: Cantion advise hot is state from Calcula a month ago. W. Long that the letter month is Delhi on Samurday for a 10-day tour line in milition. Catholics in an overwhele in an overwhele in an overwhele in an are commented about alleged church ellers.

an, Criticizes European e Minister Shimon Peres of Israel arrivel sale in West Garmalin, after telling Europe the mations on Libya would hause innocess both including some Palestrians, demonstrate to subtract of End Godesters before in the acceptance in the fact that there were no incidents and the acceptance in the subtract in t

lat Meet on Peace Effort The King Harrison of Jordan and Vasser And Organization in the property of act and Vaser Ander Metaday, the plo and united Sunday The home under pressure to act and Middle le ther PLO officials in a such with Hussiagh to-flour break. Mr. 4-124 returned to ments ton of the meeting related by miner the Pills towns are the body that are the town of the

s U.S. to Halt Rebel Aid Relien ma' urged



Babrak Karnal

Farm Foreclosure Plan To - The Farmers High Administration Back and the transfer of anomal anomal course of 5 famous ageray o sillunation of his Friday das tigeneration in in den bined une some if deb New services in the last the matter will will also services by them. ng ng buse bugu sa busa ng Milingen wan Former of the second of the Mr. Cale in the first termination in the state of the property of the state of and the second of the second o A MANY LOW THE RESIDENCE TO THE PARTY OF THE

sing in Chilean Explosit to - Larussian a time a - argent hander nd print a ser la comp despit de pieses nerg aggres case and the perfection in about Smart for the contraction Like (said) explored access to the distribute CTE TITLE TO LEGISLE and the section that the section of Section 1

manponent character to accomi A SOUTH AND A SOUTH AND A SOUTH ASSESSMENT OF THE SOUT e franco describe de la companie de the state of the s





**AMERICAN TOPICS** 

MOVE OVER - One of four head of cattle that escaped from a stockyard in San Antonio, Texas, piled headfirst into a van, breaking a window and denting a door. The driver was shaken but not injured. The animal was roped and returned to the stockyard.

their contrasting personalities and political philosophies might

All eight agreed that some-body has to be in charge. Donald H. Rumseld, co-chief of staff for

Gerald R. Ford, said that Presi-

dent Ford tried to give equal ac-

cess to several aides, calling them "spokes of his wheel." It didn't

work because then the president

Jack H. Watson Jr. said that

Jimmy Carter made the same "fatal mistake," which "pulls the

president into too many issues."

that they exercised great power

or influence over their presi-

dents, but admitted they had

ways to get a president to give up

"You do it very gingerly when your president is Lyndon John-

son," said Harry C. McPherson.

Jr., special counsel to the chief

executive. The others laughed

understandingly.
Theodore C. Sorensen, special

counsel to John F. Kennedy, said

he had a "short way to stop bad

ideas. I'd say, That sounds like something Dick Nixon would

have suggested."

H.R. Haldeman and his suc-

damo fool idea."

Most of the panelists denied

gets overheated."

Alumnae Reminisce About Latin Quarter

The Latin Quarter, which had more feathers, plumes, rhine-stones and sequins than any other Manhattan might spot, closed for good in 1969 but the former show girls still hold a regular monthly meeting. The minks, the diamonds, the champagne flowed," recalled Chickee James at the last meeting. "Those were the good old days, and the nights weren't bad either."

Jackie Miller Abrams, sheathed in furs, recalled, "For years, every night was New Betty George recalled a single

day when she had cocktails with Tyrone Power before the first show, dinner between shows with Marlon Brando, drinks after the 2 A.M. show with a Hollywood producer, Robert Evans, and then a night out chasing po-lice calls with Walter Winchell.

Miss James said it wasn't all caviar. Many show girls died young from drug or alcohol problems or by suicide. "After all," she said, "a pretty face and gorgeous figure can carry you just so far." She added with a laugh, "Pretty damned far, come

By James LeMoyne
New York Times Service
TEGUCIGALPA, Honduras

A wide variety of political com-

mentators here are predicting that José Azzona Hoyo, who takes office Monday as president of Honduras, is likely to be even more dependent than his predecessor on

The commentators point out

that the president-elect faces a

bankrupt economy, growing de-mands for change from landless peasants, an entrenched and politi-cally powerful Honduran military

that receives heavy financial sup-port and manpower from the Pen-tagon and an expanding gnerrilla war against Nicaragna — also co-

couraged and financed by the Reagan administration.
U.S. economic and military aid to Hondaras totals about \$210 mil-

Mr. Azcona is unlikely to make

the army and the U.S. Embassy.

cessor in advising Richard M. Nixon, Alexander M. Haig Jr., to think of it." joined in the laughter, and Mr. Haldeman said, "Al and I didn't have the option to say what Ted What Life Is Like Behind the Throne

Notes About People

according to several foreign envoys

the presence of Nicaraguan guerril-

la forces here, Mr. Azcona appears

ready to permit them to continue

operating, allowing a discreet re-sumption of U.S. aid to the rebels

that has been obstructed by Presi-

the distinction of becoming the first elected leader in more than 50

years to follow another elected

president into office, the military

remains the real power in Hondu-

ras, according to virtually all politi-

"Power as such is not at play here — it remains in the hands of

Embassy," said a Honduran with

close ties to the army and top polit-

Although Mr. Azcona will carn

dent Roberto Suazo Córdova.

Honduran Is Expected to Rely on Army and U.S.

any major changes in Honduras's deal with difficult problems. De-relationship with the United States, spite poblical liabilities that in-

here. And despite past criticism of Assembly and no established tradi-

Eight ranking staff members When Patrick J. Becker for every president since Dwight D. Eisenhower got together for a went to work as White House public televisioo forum and communications director in earfound that they agreed far more ly 1985, he remarked that he was n the tricks of their trade than being paid oothing like the

in 1984. That any journalist was making that kind of money came as a surprise, especially 10 other journalists. However, much of it came from speaking engagements. Jacob Weisberg, writing in the New Reublic magazine, calls such journalists "buckrakers." He reports that broadcast journalists, as usual, get the most: Walter Cronkite and Eric Sevareid get \$25,000 a speech; Sam Donaldson, Ted Koppel and Dan Rather get \$20,000. Among the writers, William Safire gets \$18,000; Art Buchwald, \$15,000;

\$400,000 he made as a journalist

Governor George Corley Waklace of Alabama said last week that "I definitely, really, honestly have not made up my mind whether to run lor a fifth term. Billy Joe Camp, the governor's press secretary and closest aide, said at the same time that he would be running for his boss's job this fall. This is being interpreted as the strongest evidence yet that Mr. Wallace, 66, paralyzed from the waist down in a 1972 shooting, will oot run

and George Will, \$12,000 to

The last surviving member of Notre Dame's most renowned backfield was James H. Crowley, who died Jan 15 at 83. Grantland Rice nicknamed the 1924 backfield the Four Horsemen of the Apocalypse: "In dramatic lore they were known as famine, pes-tilence, destruction and death." Jim Crowley once remarked, "I don't know if it was ever spelled out who was who, but you can put me down as pestilence."

- Compiled by

clude shaky control of the National

tion of democratic rule, he must

govern the second poorest country

in the Western Hemisphere after

# **New Pleas** For Tax Hike Are Rejected By Reagan

By Jonathan Fuerbringer New York Times Service WASHINGTON-Responding to new calls for a tax increase from some Republican and Democratic leaders in Coogress, President Ronald Reagan has rejected the idea afresh.

After a meeting Friday with Mr. Reagan at the White House, Boo Packwood, Republican of Oregon and chairman of the Senate Finance Committee, said Mr. Reagan was "adamant about any kind of sales tax, value-added tax, consumption tax — call it what you ".00- long

Mr. Packwood's committee will start hearings on a House-passed tax bill this week. The committee beld a one-day retreat to consider

Mr. Packwood said Saturday that while the committee would produce a tax-overhaul bill this year, it had specifically rejected as models both the House-passed legislation and Mr. Reagan's propos-

The president did not miss a day last week in rejecting the idea of a tax increase. But congressional leaders, including the Senate Re-publican leader, Robert J. Dole of Kansas, have said politics would probably require a tax increase be part of a package to cut the deficit. The back and forth between

Congress and the White House on the budget and a tax increase was intensified in the first week of the new law that mandates a balanced budget by 1991. It sets a deficit ceiling of \$144 billion in the fiscal year 1987, about \$50 billion below current deficit projections.

If Congress and the White House

cannot agree on a plan to meet the cally, the kind of cuts that neither the White House nor Congress

Pete V. Domenici, Republican of New Mexico and chairman of the Senate Budget Committee, has said that a tax increase is necessary and that he expects the White House to agree to one in the end.

But Mr. Domenici and others would prefer to have the compromise early in the year, rather than wrestling with budget matters late in the campaign for the November elections. Twenty-two Repoblicanheld seats are among the 34 being

Donald T. Regan, the president's chief of staff, said Friday that the administration would not make the mistake of agreeing to a tax in-crease in exchange for spending

In a speech to the annual winter meeting of the Republican National Committee, he said the administration did that in 1982 and 1984 that Congress promised. Congres- and equipment.



sional leaders argue that they have delivered on spending reductions. **■** Committee Retreat

Anne Swardson of The Washing ton Past reported from Washington: After most members of the Senate Finance Committee spent 24 boors sequestered in Berkeley Springs, West Virginia, Mr. Pack-wood said, "I know we can get a hill of some kind" that can get 14 to 16 votes on the 20-member committee "and will he bipartisan."

Mr. Packwood said the session helped him sense "what is acceptable" to the committee.

Members voted overwhelmingly against using the tax bill passed by the House last December or the Reagan plan as a starting point. Instead, they asked Mr. Packwood to develop a proposal with the ranking minority member, Russell is Long Democras of Louisiana.

If that failed, Mr. Packwood

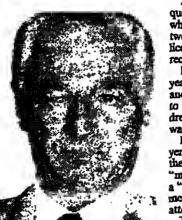
said, he would use existing tax law as a basis for bill-writing. Many observers said such a decision could make it harder for the committee to adopt a comprehensive rewrite of the tax code.

Committee members disagreed however, on specifics of a tax bill. Most were willing to consider terminating the deduction for state sales and personal-property taxes, but Daniel Patrick Moynihan, Democrat of New York, said that move would "jeopardize the legislation here and in the House."

The House legislation leaves deductions for state and local taxes

Mr. Packwood said four or five duce the deficit; three other sources streets of Harlem who won bonors said about half of the 18 or 19 enators present wanted higher taxes. Another source described it as a 'substantial minority.'

Mr. Packwood said the commitrevenues from other sources --oil-import fee or a tax on consumption - to reduce some personal tax rates and achieve other Reagan The verdict came six mooths afgoals such as more generous incen- ter a grand jury cleared Mr. Van



José Azcona Hoyo

According to foreign and Honduran political analysts, the army has kept control of foreign affairs by choosing the foreign minister, who happens to the cousin of the head of the army, General Walter

lo additioo, two Hoodorao sources say that army commanders had gotten in touch with trade union leaders to tell them to press Mr. Azcona to develop policy to deal with the country's economic problems. This is a concern to the army, which is worried about fu-That candidate proved to be Mr. ture social unrest in a nation of

Mr. Azcons may find policyselected by less than 30 percent of the vote. His leading opponent, Rafael Leonardo Callejas, won more than 40 percent of the vote. Mr. Callejas heads the National Party.

The resulting political resultant of the votes for each president of the vote The resulting political weakness dential candidate, Mr. Azcona's of the new government has already been expressed in several ways. vote total gave him control of only 46 of 134 depoties.

# Ugandan Rebels Seize Capital

(Continued from Page 1)

government had accused each oth-

when most of the remaining gov-50 miles (80 kilometers) east of the gurrillas. man in Nairobi, Mr. Kategaya, said divided units turned against each the government forces bad since other, with some groups seeking

treating government soldiers and tribal warfare within the ranks of the military, United Press International reported from Nairobi, Ten United Nations employees

from Ireland, Bangladesh, Ethiopia. Ghana and Kenya were airlifted from the oorthern Ugandan town of Moroto, about 250 miles north of Kampala, to Nairobi by an American pilot.

They said soldiers went on a looting spree as they fled from the

fled from Jinja. A Western military revenge for the atrocities committed by Acholi-tribe army units during the seven-mooth rule of Gener-

> Danny Matthews, a agriculture drunk, he said.

# Voyager Observes Odd Tilt to Uranus Approach Also Reveals 15th Moon, Strange Aurora

Uranus for several weeks.

antennas on the Earth. Because the signals are faint and light at Uranus is dim, pho-

By John Noble Wilford wide as the Earth, changed the Voyager's path and redirected it New York Times Service

PASADENA, California The Voyager-2 spacecraft has sped by distant Uranus for the first close-up exploration of the solar system's third-largest plan-

The hardy little spacecraft, two billion miles (3.2 billion kilometers) from the Earth on a vovage that began in 1977, transmitted a stream of photographs and data Friday. Scientists expect the material to lead them to major discoveries about Uranus, the seventh planet from the sun, and its largely unknown environs.

Scientists reported Saturday that Voyager had discovered a 15th moon and another faint ring of particles orbiting Uranus. The spaceship also observed a strange "electro-glow," they said, and a surprising tilt to the Uranian magnetic field.

Flight controllers at the Jet Propulsion Laboratory in Pasadena reported that Voyager came within 50,679 miles of the bluish-green clouds of Uranus at 15:59 GMT, slightly more than a minute behind the schedule that was calculated five years and nearly a billion miles ago. Voyager came even closer to the moon Miranda, passing with-

in 17,400 miles of its icy surface. The 1,800-pound (815-kilogram) Voyager raced by the sunny side of the planet at 45,000 miles an hour. Operating automatically by computerized controls, the craft rolled steadily to keep the television cameras on target and to prevent smearing of

the images.
More than 200 pictures were taken during the hours of the close encounter.

The spacecraft then swung behind the planet, observing its dark side, and pulled away at 38,000 miles an hour. The tremendous gravity of Uranus, which is four times as

encounter must undergo inten-The bright halo of Uranus was not, as had been thought,

an aurora like the Northern Lights on Earth.

sive processing before they can be examined by scientists and made public.

Almost everything Voyager reports from Uranus will be new to scientists. The planet had oever before been visited by a space-craft, and it is so lar away from the Earth that it appears virtually featureless when observed from the ground.

Scientists said Friday that several discoveries were made as the craft headed in toward Uranus. They received "firm" confumation that Uranus has a magnetic field and that the field appeared to be somewhat stronger than earlier radio data had indi-

Dr. Bradford A. Smith, head of the photographic interpreta-con team, said new photographs of Titania and Oberon, the two largest moons with diameters of about 1,000 miles, revealed many bright spots from which streaks of bright material radiated.

The streaks appeared to be evidence of extensive meteorite impacts that exposed the ice underlying the generally gray surfaces of the moons.

on a course to its next destination. Neotune in 1989. The craft is expected to continue observing The new ring, which is just inside the brightest and outer-most of the known rings, was the The radio signals carrying the data were taking two hours and

first detected by the spacecraft 45 minutes to travel at the speed and the 10th known to exist in of light from the spacecraft to the vicinity of Uranus. But scientists said they were most surprised and mystified by tographs taken during the close magnetometer observatioos

showing that the magnetic poles of Uranus are tilted at a 55-degree angle from the planet's rota-tional axis. In other words, the north pole on Uranus is 55 degrees away

from the north magnetic pole. Earth's magnetic axis is tilted 11.7 degrees from the rotational

As Voyager moved well into the magnetosphere, its two television cameras began taking more detailed pictures of Uraous. Because the planet rotates lying on its side, the earlier pictures focused on the polar region facing the Sun.

Observations by Voyager's ultraviolet detector indicated that glowing emissions from the Uranian atmosphere apparently are a phenomenon peculiar to the giant gaseous planets, including Jupiter and Saturn as well as Uranus.

The bright halo was not, as had been thought, an aurora like the Northern Lights on Earth, out a different phenomenon that as been named the electro-glow. The auroras on Earth are cre-

sted in the polar regions by elecrons from space that enter the magnetic fields, interacting with the atmosphere and causing an serie glow of light.
Scientists said the electro-glow

seemed to be associated with very slow-moving electrons that do not appear to be coming from

# N.Y. Student Acquitted in Mugging

By M.A. Farber

New York Times Service NEW YORK - Jonah Perry has been acquitted of mugging a plainclothes police officer in an incident committee members wanted to use that led to the killing of his younger the legislation to raise taxes to re- brother, Edmund, a youth from the

at a prestigious preparatory school.

After four bours of deliberations, the jury in state Supreme Court in Manhattan announced Wednesday that it had found Jotee might eventually have to turn to nah Perry, a 19-year-old Cornell University sophomore, oot guilty senerally considered to mean an of assaulting and trying to rob the officer, Lee Van Houten, last June

Houten of any wrongdoing, saying he had acted in self-defense in fa-

tally shooting Edmund Perry. After the verdict, a number of questions remained about who did what in the case, which involved two outstanding youths and a po-lice officer with an unblemished

Police had contended that 17year-old Edmund was shot while he and Jonah were beating and trying to rob Mr. Van Houten, who, dressed in jeans and a sweat shirt.

was scouting for car thieves. But the Perry family and its lawyers portrayed the incident from the outset as a racially motivated "murder" of Edmund, followed by a "frame-up" by the police depart-ment and the Manhattan district attorney's office.

The Perry family is black. Mr. Van Houten, 25, is white. Harold Potchtar, one of the jurors, said later that the jury did not necessarily subscribe to the Perrys'

Jonah Perry

version of the incident. He said the jury simply did oot believe the two key prosecutioo witnesses who linked Jonah to the assault.

prove his case beyond a reasonable

After the verdict, the police department said that Mr. Van Houten had fired his revolver "within department guidelines" and that no further investigation was warrant-

Mary DeBourbon, a spokesman for the Manhattan district attoroey, Robert M. Morgenthau, said: "The jury has spoken. They've given their verdict. So be it."

With the help of scholarship programs that grew out of the civil rights movement of 20 years ago, the Perry boys had attended elite college preparatory schools.

Jonah graduated in 1984 from

the Westminster School in Conoecticut and went on to pursue engineering studies at Cornell: Edmuod won honors at Phillips Exeter Academy and would have entered Stanford University in California last fall. Mr. Van Houten also enjoyed a

fine reputation. At the time of the shooting, he had been on the police force for a little more than two years, had never before fired his weapon in the line of duty and was regarded by his colleagues as level-

Jonah Perry was charged with two counts of attempted robbery and one of assault, with each offense carrying a maximum penalty of seven years imprisonment.

return Friday to Cornell in Ithaca, New York, and "get on with my life."

### "The district attorney didn't Kasparov and Karpov Agree on a Rematch

The Associated Press MOSCOW - Garri Kasparov,

the world chess champion, and An-atoli Karpov, the former champion, have agreed to postpone their rematch until July or August, and they want the next world championship delayed until 1987, the Soviet Chess Federatioo bas announced.

In a statement published Samu-day by the official press agency Tass, the federation said it was go-ing to the International Chess Federation with their requests. The next world championship is schedaled to be played this year.

In Sydney stay in the newest hotel where business has been done since 1851.

HOTEL INTER • CONTINENTAL **SYDNEY** 



THE ADVANTAGE IS INTER-CONTINENTAL® **Q** INTER-CONTINENTAL HOTELS

117 Macquarie Street, 61 (02) 230-0200, Telex: 176890
For reservations call: Amsterdam: (020) 25. 20.21 Brussels: (02) 751-87-27 Frankfurt: (069) 27 100620, London: (01) 491-7181. Milan: (02) 87.72.62, Paris: (01) 47-42-07-92 or call your nearest Inter-Continental sales office or your travel agent.

# Gordon MacRae, 64, Dies of Cancer; Starred in the Movie of 'Oklahoma!'

cal experts.

The state of the s By Peter B. Flint New York Times Service NEW YORK --- Gordon Mac-Rae, the singer and actor who starred in the movie versions of Richard Rodgers and Oscar Ham-merstein 20's benchmark musicals "Oklahoma!" and "Carousel," died Friday at Bryan Memorial Hospital in Lincoln, Nebraska, He was

> Mr. MacRae had been undergoing treatment for cancer of the mouth and jaw as well as pneumo-

The tall athletic actor and singer made four genial, old-fashioned musical films with Doris Day — "Tea for Two" (1950), "The West Point Story" (1950), "On Moon-light Bay" (1951) and "By the Light of the Silvery Moon" (1953).

Other MacRae movies included a 1953 remake of Sigmund Romberg's "Desert Song," with Kathryn Grayson; "Three Sailors and a Gid" (1953), with Jane Powell, and "The Best Things in Life Are Free" (1955) (1956), co-starring Sheree North, in which Mr, MacRae played the Tin Pan Alley composer-tyricist Buddy

clean-cut good looks, and a boynext-door personality, appeared in 16 movies. In the mid-1950s, inter-ligures.



Gordon MacRae

est in musicals waned, and he got Connecticut. no more good offers

Willard Van Dyke, 79, a photog-rapher, filmmaker and former di-Mr. MacRae starred in national tours of musicals and in summer taught in both singing and acting and had a rousing baritone voice, clean-cut good looks and to rousing baritone voice, clean-cut good looks and to rousing baritone voice, clean-cut good looks and to rousing baritone voice, concerts from coast to coast Than stock, and for nearly a decade be impersonations of show-business

Louis Hartz, 66, **Professor of Government** 

NEW YORK (NYT) - Louis Hartz, 66, a longtime professor of government at Harvard University whose work in political theory and comparative history influenced and inspired a generation of scholars, died Monday in Istanbul.

Turkish officials said that Mr. Hartz, who left Harvard in 1974 and devoted the rest of his life to travel and research, apparently died after an epileptic seizure.

In more than three decades at

Harvard. Mr. Hartz lectured to thousands of undergraduates. His writings, ootably his 1955 work, The Liberal Tradition in America," sought to explain the conspicnous absence of ideology in the United States.

Other deaths: Everett R. Chocky, 89, a founder and former president of the National Conference of Christians and Jews, Wednesday in Guilford,

rector of the film department at the

Museum of Modern Art, of a heart attack Thursday in Jackson, Ten-John Ryerson, 87, an amateur golfer and one of last survivors of the sinking of the Titanic, Tuesday

dragged into war against Nicara-U.S. concern with Honduras has been indicated by the extraordinary lineap of top Reagan administration officials who visited the nation in the last year — including two successive heads of the Joints

Hondurans seem to fear being

In addition, Mr. Azcona, who is the leader of the Liberal Party, will Chiefs of Staff, two successive nabe forced to deal with a strong tional security advisers, senior CIA officials and top State Department display of U.S. power. That power is now being expressed in a near-permanent American military pres-Vice President George Bush visited last year and is to attend Mr. ence that includes constant military maneuvers, as well as several U.S.-built military bases.

The growing U.S.-backed guer-

Azcona's inauguration on Monday. Mr. Azcona's road to the presidency was not easy. He was derilla war agaiost Nicaragua, clared the winner of the controverlaunched from Honduran border sial presidential election held in bases, is likely to be the most diffi-November only after heated ma-neuvering by Mr. Suazo to remain the army and the United States cult issue Mr. Azcona will be asked to manage, according to several Hondurans. Although the nation in office was finally thwarted by

U.S. and Honduran military prescal figures.

appears to be strongly opposed to
Mr. Azcona, 58, will be asked to
the Sandinist government, many Because of Mr. Suazo's efforts to stay on, the army was forced to press a political deal on presidential candidates under which the winner of the election was the candidate who received the most votes of the party that received the larg-est number of votes.

Azcona, but the odd electoral arith- peasants. metic left him a minority president,

er of violating the Nairobi accord, which was aimed at ending decades of bloodshed in Uganda. The fighting for Kampala ended ernment troops withdrew to Jinja, capital. But the guerrilla spokes-

attaché confirmed the report. Foreigners Recount Terror Foreigners fleeing Uganda arrived Sunday by plane in Kenya and described mistreatment by re-

They said that the army's tribally

al Okello, who is an Acholi.

specialist from Northern Ireland. said thousands of troops fled into Moroto and stole trucks, fired weapons and threw hand grenades at trees. Some appeared to be

# Herald Tribune.

# Going After the Killers

they refuse to surrender them, why should Americans not snatch suspects wherever they can and bring them to justice in the United States? That question no longer sounds farfetched. Violence against Americans and the failure of other nations to take it seriously have aroused Washington's interest in every conceivable countermeasure. Prudence and justice argue for striking directly at guilty terrorists. Why not take them where one can?

The main obstacles are other nations' rights and sensibilities. Governments that put a much lower priority on arresting terrorists may well regard kidnapping by American agents as a crime. They also cherish their sovereignty and insist on making their own choices about whom to arrest and to extradite. Some may also fear retribution by terrorists or remember that the United States itself has sometimes refused to deliver fugitives under extradition

treaties that exclude crimes labeled "political." Still while other nations are unlikely to give advance approval, some might quietly appland or even assist in specific arrests of properly charged fugitives. American judges traditionally have not inquired about how a suspect is brought before them, only whether he has been duly charged. America's known regard for defendants' rights, and President Reagan's rejection of reckless retaliation against innocents abroad, are strong arguments for trying to

bring some fugitives to account. Probably the strongest argument for unilateral action is the failure of international efforts to punish either terrorists or their sponsors. America's European allies, having refused to join in economic sanctions or airline groundings, would find it harder to object to discreet U.S. efforts at selfprotection. Responsible Americans are not talking about a shoot-out on a busy Paris street. They do, however, want to warn nations that harbor the likes of Mohammed Abbas that they risk the humiliation of having him snatched away. That alone might keep him and others in distracted flight.

Mr. Abbas is under federal indictment charged with plotting the Achille Lauro hijacking, which included the cold-blooded murder of a disabled American. Mr. Abbas was caught when American planes intercepted the hijackers' escape plane, but he was rashly released, first by Italy and then by Yugoslavia, despite a strong American showing that he was extraditable. He is a prime candidate for capture if U.S. agents can manage it. Such snatchings are no substitute for sustained anti-terror ist campaigns, including infiltration of suspect groups. They are no substitute for joint action when that can be negotiated. But they can bring some murderers to justice and relieve the pent-up American frustration that might otherwise provoke truly rash action.

- THE NEW YORK TIMES.

# Up the IDA Ante Now

In the poorest parts of the world, falling interest rates and oil prices make little difference. The countries at the bottom of the heap still need openhanded aid - and the Reagan administration still offers a tight fist.

The International Development Association, a World Bank affiliate, makes 50-year, interest-free loans to countries most in need. It does not consider lending unless a country's per capita income is under \$790 a year. There are plenty of those. In its 25 years the IDA has loaned \$37 billion to some 90 countries. Its funds have been replenished seven times by the United States and some 30 other nations including two, South Korea and Colombia, that once got IDA aid themselves. Donors meet in Paris this week to start negotiating an eighth infusion. How generous will it be?

America sets the pace. In the Reagan years, that has meant parsimony. By longstanding agreement, Washington contributes a quarter of the total. The Reagan administration's first move was to stretch the Carter administration's commitment to the sixth replenishment over four years instead of three, thus reducing

the yearly contribution. Then, three years ago, when the other major backers and the agency itself favored a replenishment of at least \$12 billion. Washington held out for \$9 billion.

Fifteen other donors, still seeing a greater need, put an extra \$1.2 billion into a special fund for African countries, pointedly insisting that nothing be spent on American goods or services. Last year Congress took the lead and voted a \$225 million American contribution to the Africa fund, ordering a first payment of \$75 million by Dec. 31. The administration, citing the new deficit reduction law even before it took effect, has paid nothing yet. So negotiations for the next round of fund-

ing open on a discouraging note. The IDA needs at least \$12 billion in the next three years. The Reagan administration has not committed itself to any sum but has indicated that it thinks another \$9 billion is enough. That would only invite further embarrassment, since other donors and Congress are willing to put up more. What virtue is there in starving the poorest of the poor?

- THE NEW YORK TIMES.

### **Good News From Ulster**

There is good news from Ulster, Moderates scored some gains in the by-elections held on Thursday, and the leaders who called for a massive vote to protest the new Anglo-Irish agreement were disappointed. That treaty sets up a bi-national commission to consider political, legal and security matters in the six counties of Northern Ireland. The commission is a forum, not a ruling body, and the treaty does not change the status of Northern Ireland as a. part of the United Kingdom. The agreement has the strong support of parliaments in Brit-ain and Ireland, but in the North cooperation has been opposed both by Protestants who want no dialogue with Dublin and by Catholies who do not recognize British sovereignty.

The by-elections were precipitated by the protest resignation, from the British Parliament, of 15 Protestant members from Northern Ireland. Their leader. Ian Paisley, an-nounced that the new elections would let citizens demonstrate their "universal cold fury" toward the agreement, and he called for a massive voter turnout. Meanwhile, Sinn Fein, the political arm of the Irish Republican Army, fielded candidates in four districts and

they, too, opposed the treaty. In the middle, also running in four districts, were moderates of the Social Democratic and Labor Party. It has Protestant and Catholic members and strongly supports both the treaty and continued cooperation between Dublin and London. Mr. Paisley did not get his massive protest

vote. The Unionist parties received, on average, about the same number of votes as in the last elections in 1983, and Mr. Paisley himself lost supporters. In one district the SDLP won a seat from the Unionists. Catholics, in general, voted for moderation over protest by a wide margin. Sinn Fein candidates lost a quarter of their votes measured against 1983, and the SDLP gained almost all of them.

None of this signals a miracle in Ulster. Fourteen of the 15 Unionist candidates who opposed the treaty were returned to Parliament. But the turnout was not remarkable, and an angry message of protest was not sent. The Catholic move away from candidates condoning violence is heartening. The long-range goal of the Anglo-Irish treaty is reconciliation. Prospects for achieving it are a little brighter. - THE WASHINGTON POST.

### Other Opinion

### A Watergate Pattern in London

Watergate started with a pretty trivial offense - a clumsy attempt at an office break-in by five not very competent hired burglars. The damage was done not by what happened at the Democratic national committee headquarters in the summer of 1972 but by what followed. The pattern has been repeated in the sorty saga of Westland. The issue is no longer what originally occurred; it is the government's (and especially the prime minister's) efforts to con-

ceal what was got up to — not just in the murky corridors of the Department of Trade and Industry but within No. 10 Downing Street as well. The House of Commons will have done less than its duty if it does not start the process of prizing out some explanation for an episode that has not simply resulted in the departure of two cabinet ministers within a fortnight but has also raised growing doubts over, at best, the competence and, at worst, the integrity of the prime minister herself.

- The Observer (London).

### FROM OUR JAN. 27 PAGES, 75 AND 50 YEARS AGO

1911: A New Strauss Opera Opens DRESDEN - Richard Strauss' latest opera, "Der Rosenkavalier," was produced for the first time on the stage at the Dresden Court Theatre [on Jan. 26]. It showed Strauss in a new light - namely, as a brilliant humorist. The libretto of "Der Rosenkavalier" has been written by a Viennese, the poet von Hofmannsthal, and glorifies the Vienna of the time of Maria Theresa. The title arises from the custom of the young men at the Vienna Court to send to their beloved by a horseman a silver rose. The bearer of the rose was known as a Rosenkavalier." In delineating character in music. Strauss has been even more original than before. He expresses things which seem almost impossible to represent. Strauss' music marks the carrying out of a public desire that opera music should be gay as well as artistic.

1936: Catholics Told to Resist Nazis BERLIN - There was silence fraught with deep meaning in the Roman Catholic Churches in Berlin [on Jan. 26] as the faithful listened to a strongly worded pastoral letter. The letter was read at mass in Catholic churches throughout Germany. The bishops call for mobilization of all Catholics of the Reich for the struggle against "certain forces" which are making every effort to "shatter the faith of adults and youth and pave the way to a new bedonism." Although the bishops avoid direct charges against the Nazi State and Party, they make it clear that the forces are Nazi forces. By implication they forbid German Catholics to read certain Nazi literature and attend certain Nazi meetings and training camps. The bishops are known to be negotiating with the Nazis

concerning the religious training of youth.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, Publisher PHILIP M. FOISIE Executive Editor
Editor

WALTER WELLS SAMUEL ABT ROBERT K. McCABE

RENÉ BONDY Deputy Publishes Associate Publishes Associate Publishes ALAIN LECOUR
ALAIN LECOUR
ALACIAN Publisher
RICHARD H. MORGAN
STEPHAN W. CONAWAY
FRANÇOIS DESMAISONS
ROLF D. KRANEFUHL Director of Circulation
ROLF D. KRANEFUHL Director of Advertising Solic

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France, Tel.: (1) 46.37.93.00. Telex: 612718 (Herald). Cables Herald Paris. ISSN: 0294-8052. Directeur de la publication: Walter N. Thayer.

Managing Dir. Asia: Makohn Glern, 24-34 Homesty Rd., Hong Kong, Tel. 5-285618. Telex. 61170.

Managing Dir. U.K.: Robin MocKichan, 63 Long Acre, Lordon W.C.. Tel. 836-4802. Telex. 262009.

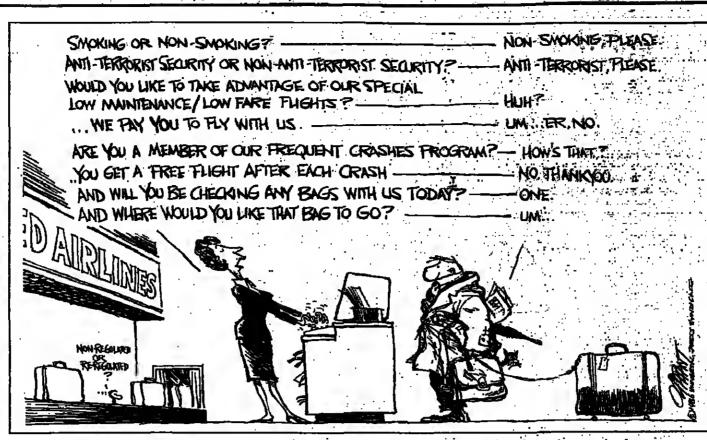
Gen. Mgr. W. Germany: W. Lauserback, Friedrichat, 15, 6000 Frankfart/M. Tel. (069)726753. The. 416721.

S.A. an capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Parisaire No. 61337.

U.S. subscription: \$322 yearly. Second-class postage poid at Long Island City, N.Y. 11101.

© 1986, International Herald Tribune. All rights reserved.





# Reagan Should Help Keep the Summit Spirit Alive

By Jacob K. Javits

N EW YORK — Whatever the particular ments of the Soviet proposal for the elimination of nuclear weapons, it is a welcome effort to maintain the cooperative spirit kindied at the summit meeting in Geneva. President Reagan ought to respond in kind. An effective way to do so would be to revive his promise to share the technology being developed for his Strategic Defense Initiative. Before the summit meeting in No-

Societ Union has violated existing arms control treaties, particularly the anti-ballistic missile treaty of 1972. Moscow also claims violations. The suspicions on both sides play into the hands of those who would perpetuate the crisis atmosphere and make fu-ture arms control treaties impossible.

Is there a way out of this impasse? Sharing strategic defense technology with the Soviet Union would allay vember there was popular concern with the Soviet Union would all that superpower relations had sunk many of the Russians' concerns

Mr. Reagan is much admired. He can accomplish what other presidents may not be able to do.

to a new low and confrontation was a dangerous possibility. Fortunately, that general concern compelled President Reagan, under the stress of his 1984 re-election campaign, to modify his hard condemnation of the Soviet Union as the "evil empire" and to adopt a more conciliatory stance. Fortunately, too, this marked change coincided with the coming to power of a new, younger and more enter-prising leader in the Soviet Union.

Thus far both that restraint and the cooperative atmosphere of the sum-mit meeting persist. The issue before ns is whether this atmosphere can be converted into tangible results. Can America, in the short run, avoid a new round of Soviet-bashing, with all its dangerous consequences? It may be possible if it is recognized that a workable agreement need not be based on trust in the Soviet Union. History demonstrates that mutual self-interest, not trust, is the real glue in international relations — and only the mutual self-interest of the superpowers can ensure a durable peace.

Mikhail Gorbachev's proposal to eliminate nuclear weapons by the year 2000 is a constructive step in that direction. The proposal parallels and extends the "zero option" for the elimination of nuclear weapons in Europe put forward by President Reagan in 1981. Both leaders have in effect agreed that the arms control talks in Geneva should proceed along this line under an accelerated timetable. The basic sticking point is the Strategic Defense Initiative.

The Politburo has taken a seeming ly non-negotiable position on this issue, refusing to consider an agree-ment that would allow even strategic defense research. The reason, accorddefined in the United States to include some testing of weapons.

The United States appears to have

taken a comparably non-negotiable position. President Reagan is determined to proceed, holding firmly to his original vision — his notion that a strategic defense would allow the elimination of nuclear arms.

The American position is further complicated by allegations that the

ing campus, Fred Anderson held up what looked like an old leather-

bound book. "I hold in my band a rusty piece of iron and a key," said the official historian of Virginia Baptists. "If Baptists had sacred

relics this would be our equivalent

of hair from a saint's head."
On this rainy morning, we had gathered to recall a bright interval

in the somber history of religious oppression: the 200th anniversary

of Thomas Jefferson's Virginia

Statute on Religious Freedom,

passed by the commonwealth's leg-

The lock was used to incarcerate

several Baptist preachers more than

200 years ago for religious practices

contrary to the Anglican religion "by law established."

able scene from a century ago. A

speaker at a similar commemora-

tion had turned the old key in the

lock. When the rasping sound rang out, many wept, moved by the

memory of suffering for con-science's sake, on American soil.

Statute was one of three accom-

plishments that Jefferson wished to

be remembered for on the obelisk

that marks his grave at Monticello.

(The presidency was not among them.) As usual, he had his priori-

ties straight. A law asserting the

radical equality of all religious pre-

ferences was a novel idea in the

world of 1786, even in the land of

For good reason, the Virginia

Mr. Anderson recalled a remark-

slature in mid-January 1786.

particularly their sense that while they themselves may be researching strategic defense, their technology

lags far behind America's; and also their fear that their industrial capacity may be even more greatly strained by the need to further expand their nuclear arsenal to match an American strategic defense system. The idea of sharing was suggested

by President Reagan when he proposed the initiative in 1983, and he reiterated it during the 1984 campaign. It remains an entirely plansi-ble option and deserves to be includ-

tiated. The Communist elite that controls the Soviet Union hungers for the legitimacy that only the international community, and especially the United States, can confer. Washington ought to move on a number of fronts to meet that need. The renewal of

cultural contacts, agreed upon at Geneva, was a good start. Other issues demanding comparable attention are human rights, trade, the sharing of medical research, com-

ed in an American proposal at the

Geneva talks. It would cut defense

costs, reduce the risk of a new accel-

cration of the arms race and amelior-

ate the crisis atmosphere that still

exists between the two countries. Nor

does the latest Soviet proposal neces-

sarily exclude a strategic defense. Reducing both sides' nuclear arms

by 50 percent - an idea that has now

been endorsed by both President Reagan and General Secretary Gor-bachev — would be the cornerstone

of a new arrangement between the

superpowers. But it must be but-

tressed by other steps. The first and most important would be to conclude

the negotiations in Vienna on mutual

tion with conventional weapons.

The Washington hawks were desaw it as a clear vindication of the omission in the final agreement, so the hawks argued, indicated that the Soviets did not mind the U.S. program quite as much as their public attacks had led Washington doves and European peaceniks to believe. If you only apply enough pressure, so went their advice, Moscow gives in.

Well, they have been proved wrong. One thing that Mr. Gorbachev's latest proposal makes amply clear is that there will be no arms control deal unless the SDI program is curtailed in one way or another. Yet, while leaving no doubt about his views on the matter, the Soviet leader has not made strategic defense the centerpiece of his diplomacy. This allows him to appear more flexible, more imaginative and more coopera-tive than his Soviet predecessors and

his American counterpart. should be taking the initiative is a most onusual sight for the world. Although most people recognize that there is a strong portion of propagan-

political craft to remedy it.

The statute, a part of Jefferson's

comprehensive post-revolutionary "revisal" of Virginia laws, was mainly couched in his usual coul

appeal to reason. It was the first act

by any legislative body to guarantee

religious freedom — not in the form of "toleration" (implying a superior grasp of truth and subject to arbi-

trary exceptions), but as an abso-

hite natural right. It went beyond

mere sufferance to place all beliefs,

however odd, on equal footing be-

fore the law. In this it was radically

original; a leap of the moral imagi-

And today? You don't have to be

sharp-eyed to see that the bearing

of this Virginia legacy, and of its unmistakable echoes in the First

Amendment, is disputed. Everyone

subscribes to the sentiments, but

what is their practical meaning?

Jefferson pronounced it "sinful and

tyrannical" to tax a man for the

propagation of beliefs not his own.

Does that mean no tax subsidies for

Freedom neither settled nor fore-

closed debate about religious plu-

ralism. It was the world's first im-

portant assertion of the idea. It

looked far beyond the conventional

church-state practices of the day to

an entirely new plan for accommo-

dating and tempering religious con-flict. For that we owe our thanks,

Washington Post Writers Group. .

The Virginia Statute on Religious

parochial schoolbooks?

if not a few tears.

nation to a farther shore.

ments, better means to prevent re-gional conflicts from exploding into world conflicts and a strengthening of the Standing Consultative Commission, which oversees compliance with arms accords. America might begin by opening the door to Soviet participation on suitable terms in the World Bank and the IMF. And there is the matter of the secand strategic arms limitation accord.

verification of arms control agree-

It took seven years to produce, and the Senate's failure to ratify it broke the rhythm of arms control efforts. bringing us much closer to the brink. It is gratifying that Washington and Moscow have agreed to extend the understanding not to undercut the cellings agreed upon in the treaty.

balanced force reduction, thus much reducing the threat of a confronta-Mr. Reagan is much admired for his patriotism, optimism and vigor. He can accomplish what other presi-Other measures should follow, dents may not be able to do. His is as some of which have already been inigreat a rendezvous with history as that of any president in modern times. The same public opinion that brought him to change his tone in dealing with Moscow should bring him to keep his promise and thus remove the obstacles to peace posed by his Strategic Defense Initiative.

> from New York from 1957 to 1981. He contributed this to The New York Times.

# Gorbachev Has Cornered the Initiative

I may lie behind the Gorbachev arms control plan, it has made painfully clear that America has lost the natic initiative to the Soviets.

By insisting that the Strategic De-fense Initiative is not negotiable, the U.S. administration has painted itself into a corner. Now it cannot probe whether Moscow is serious - which is likely — or merely playing to the gallery of public opinion. It cannot find out what price Mikhail Gorbachev is willing to pay for some stability in the arms race while he pursues the mammoth task of modernizing a backward economy. Nor can the ad-ministration, even if it wanted to, design a strategy for dealing with the Soviet rival in the decade ahead, U.S. diplomacy is in the doldrums.

Compare this to the fresh wind from Moscow. Mr. Gorbachev, too, was in danger at some stage of getting hooked on fighting "star wars" and losing all diplomatic flexibility as a result. That no doubt would have been the advice of former Foreign Minister Andrei Gromyko. But the new Soviet leader hoisted Mr. Gromyko to the ceremonial job of head of state and proceeded to the Geneva summit meeting in November despite the American refusal to budge on the SDI. He even agreed to a final deciaration with President Reagan that did not mention the SDI at all.

All Faiths Are Equal Before the Law

R ICHMOND, Virginia — In By Edwin M. Yoder Jr. see evil in the routine reaction to challenges to established legal anthe University of Richmond's roll-

It was a first, an original. The statute embodied the dream of Jef-

ferson — and or his younger con-federate, James Madison, who saw

the bill to passage in Jefferson's absence — that the troublesome in-

cest between government and reli-

gion be ended forever. It was, Jef-ferson asserted in a rare burst of

passion, impious to think that man

might usurp God's function: "Whereas Almighty God hath

created the mind free [and] being. Lord of body and mind, yet chose

not to propagate [religion] by co-

excions on either, as was in his Al-

mighty power to do ..." Why then did fallible man presume to do what the Creator declined to do?

Speaking later on this day of

Weicker noted that Americans have

spun a pleasantly self-flattering myth to the effect that the evils of

religious persecution were an Old

World practice, left forever on the

shores that their ancestors fled. In

fact, Jefferson's statute was a re-

sponse to acts of persecution. Bap-

tists, who insisted on conducting

unlicensed meetings, were the main

In 1774 Madison had written to a

college classmate that, even in Vir-

ginia, the "hell-conceived principle

of persecution" had taken hold. In

the next county "not less than five

or six well-meaning men are in jail

for publishing their religious senti-ments, which in the main are very

the Declaration of Independence. orthodox." It took imagination to

victims but not the only ones. .

memoration, Senator Lowell

TAMBURG — Whatever else By Christoph Bertram

lighted about this at the time. They More serious is the fact that the president's refusal, at the fireside fixation on the SDI, is depriving itself summit, to suggest restrictions on of the means to shape a new arms testing new SDI technologies. The control regime in Geneva. In the past

That Moscow and not Washington da in his statements, the Soviet leader

is improving his image at the expense of America. The Kremlin is scoring more points in the public opinion contest than is the White House.

Reagan administration, through its four decades only the United States, not the Soviet Union, has been capable of developing the concepts, for-unlating the objectives and sketching the solutions that finally led to agreement. Moscow knew when to accept a deal but never bow to construct one

That does not seem to have changed. Mr. Gorbachev's recent proposal removes some secondary obstacles to agreement that the Soviets had set up themselves in the past, but its core proposal remains essen-tially one sided. The totally unrealistic call for eliminating all nuclear weapons by the end of the century indicates that Mr. Gorbachev, too, finds it difficult to resist the temptation of propaganda gimmicks. If the world is waiting for a serious Soviet plan to reduce nuclear arsenals and regulate the arms race, it will have to

wait for a very long time.
Sadly, however, the U.S. administration today does not generate much hope in this respect, either. Washington seems to remain star-wars-struck. While the spectacle of proposals and counterproposals continues, a breakthrough is unlikely. It was no

doubt one intention of Mr. Gorbachev's latest fanfare to put the blame for the stalemate in Geneva on America. The Reagan administration behaves as if it wants the blame to stick.

The writer is the diplomatic correspondent of the weekly Die Zeit and a former director of the International Institute for Strategic Studies in London. He contributed this to the Los Angeles Times.

# The Debtors Need Help At the Brink

By Tom Wicker

N EW YORK — Plunging oil prices mean that Mexico may have to stop paying interest on its 597 billion in foreign debt, perhaps right away. Better to do it now, President Mignel de la Madrid is likely to reason, than with a far bigger debt and smaller reserves later on.

No doubt Washington will attempt a rescue, as in 1982. But that is un-

The treadmill leads to cessation of payments.

likely to work if the aim is merely for U.S. banks to be paid the interest due them, while the Mexican people suf-fer a harsher round of austerity and their government eats into scarce re-

serves to pay the gringo bankers.

A halt to interest payments might cause the Reagan administration to seek a solution that would permit Latin debtors to grow out from under a debt burden that crushes their people and threatens their political sta-bility — while also saving the U.S. banking system from itself.

Mexico is an exporter of oil, from which it earns most of its foreign revenues - about \$14.7 billion in 1985. But annual interest costs on its foreign debt are \$10 billion or more. So oil earnings are already insuffi-cient to service Mexico's debt and meet its other obligations. Reserves

are estimated at less than \$5 billion.
The government had been planning to seek \$4 billion in new loans to help meet interest costs this year. That estimate was based on oil prices averaging about \$25 a barred in 1986, which would have earned Mexico about \$13.6 billion for shipping 1.5 million barrels a day. But the price of crude is falling, and every \$1 drop costs Mexico-more than half a billion dollars. Even if Mexico can maintain its market share, it would need to borrow at least \$7 billion this year if

it paid interest due its creditors. The Reagan administration and the Federal Reserve might pressure U.S. banks into such loans; but then Mexico's debt would be driven well above \$100 billion. That would increase its interest costs in future years and keep it on a treadmill of borrowing to pay interest, with the result that its debt would keep rising and so would its debt service. How would that serve Mexico or its creditors. who could never expect repayment? Sooner or later the debt treadmill will make it all but inevitable that Mexico stop paying. If other major Medico stop paying. It other major debtors, notably Argentina and Bra-zil, followed suit, the U.S. banking system might collapse. The nine larg-est U.S. banks have lent 180 percent

of their capital to East European and Third World countries. On the other hand, long-continued austerity - like Mexico's brutal peso devaluation, or tough wage restraints in Argentina — would surely produce increasing political instability among resentful Latin peoples, bringing revolt from left or right, repres

from the military or perhaps all three. None of it is likely to be in the U.S. political or economic interest. There is a better way. The administration and the Fed could pressure U.S. banks into stretching out shortterm Latin debt to 30 years and cutting interest rates to 6 percent; regu-latory relief could be given to the banks to permit this. Their profitability would decline but the security of

A reduction of one point in interest raies would save Mexico \$1 billion a year. Since current sales their loans would be enhanced. year. Since current rates are 10 percent and often higher, a reduction to 6 percent would save all Latin debtors at least \$20 billion a year. That would help them to invest again in economic growth and start paying

their way out of debt.

For the long pull, sustained economic growth in the industrialized world and an absence of protectionist measures - to accommodate the needed growth in Latin exports will be needed. For now, maybe a joit from Mexico will cause Washington and U.S. banks to take the necessary steps to halt the debt treadmill. П

In my article on this page on Jan. 14, the Reverend Allan Boesak, a South African activist against apart-heid, was identified as white. In fact, his government's racial policy classi-fies him as a "colored" of mixed black and white blood. The error is regretted: the policy is odious. The New York Times.

18. 6.16

### LETTERS TO THE EDITOR

### Terrorism and Peace

In "Auti-Terrorism Has to Be Pro-Peace" (Im. 13), Robert P. Honter suggests lighting Abu Nidal's terror by avoiding the "close embrace" between the United States and Israel and by "hammering together" a settlement between Israel and the moderate Arab states. But it is just this kind of settlement that Abu Nidal fights viciously by assessinating moderate Arabs. The European countries that are most violently hit are Anstria, Italy and France—all of which maintain warm relationships with the Palestine Liberation Organization since Abu Nidal bates the PLO even more than Israel. So appeasement of the PLO will only increase his terror. Not all terrorist groups are alike. Some like the Red Brigades and Abu Nidal's group, consist of a small number of fanatics who cannot be

dealt with politically but only by sophisticated police methods. M. WEGER. Hamburg.

I doubt the effectiveness of the countermeasures urged by Raymond Price in "Ways to Halt Epidemic of Terror" (Jan. 6). I fear that the only sure way to end Palestinian terror is to give Palestinians a country. Let them have their own state and they will think twice before provoking other countries by reckless acts. Meanwhile, a simple step would seriously curtail terrorist activities: Change the rules concerning the diplomatic pouch. Diplomatic come

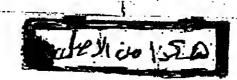
spondence should be free from scrutiny, but not pistols and grenades. As long as today's rules are maintained — as long as any country can use the diplomatic pouch to support terrorists with weapons sent across borders - retaliatory strikes and the best of airport security will not prevent additional acts of savagery.

The life of one child saved by X-

raying a diplomatic pouch would outweigh the inconvenience experienced by the various foreign services. HERMANN ARNDT.

London.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writers signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts



# The Debton Need Help At the Brink

By Tom Wicker EW YORK

Prices mean that Make a prices mean that Make to stop paying interesting to obligion in foreign debt perhaps away. Better to do it not perhaps de la Macind is likely to some than with a far ingent debt a not consider reserves later on the country of the samples reserves later on a rescue as it washington and a rescue as it washington and No doub; Washington will start on a rescue, as in 1982, but that is a

The treadmill leads to cessation of payment

likely to work if the aim is made the increase them. It has paid the increase them, while the Mexican people of them, while the Mexican people of their government ear into some their government ear into some serves to provide games powers as a factor of the provided their government that sould prevent their government that would prevent their government that would prevent their government that the provided their purples that the provided that the provided that the provided that the provided their purples that the provided that the provided their purples that the provided that the provided their purples that their purples that their purples that the provided their purples that their purples that the provided their purples that t a demonstration that emission being pictured in the area of the ar carried where the same the fi

years ou expose a of F and an income of the contract retained actions see that resident cost and cost and cost are \$10 bellion or no Secretary over the stay output of the Secretary and community of the secretary and community of the secretary of the secretar There is the police are as the stan so the The government had been to pare mest intelest costs pie le Vont e-timate was based on of pr Everaging about 325 a barrel is B. where have carned Mo about \$100 billion for shippen! conde . Thing and may he corre Merces more in an half i ha En an Merico can main 115 That there it would not to the at least 5 orthon the per Constant administration Such loans, but Mercer vieter andid be ditten. the end of the trailers. That would and the control to be in femore Lid war i en a treated of the

Serves

Sec. 2

Proke

1.0cts.

**XX 400** 

T12.17

. 25 C.C.

115 14 24

37 15

ROLLETT.

का रोट्स

CO# 15

nring

and to the atterest with the se manish cesa islam a contract contract a and a to dette service Howard that the Messes of the order with could not on expent repaired his mit die tuiter the debt traf-\* . Tues : all Dut memails ! Marsia din naying Bother, de US de la companya de US de and the magnifications. The resign and the same of the European 30. The .... The West Distance CDSC+ 1 भारता । भारता १५० च्या १ स्टब्स्स १५० च्या १ स्टब्स्स १५० च्या १ स्टब्स्स १५० च्या १ स्टब्स्स १५० च्या १ स्टब्स १५० च्या

r 🖘 2

End 3-Week Blockade By Alan Cowell New York Times Service CAPE TOWN - Lesotho's new military rulers have deported a group of South African political fugitives in return for the lifting of a blockade imposed by Pretoria more than three weeks ago.

The state-run Radio Lesotho said Saturday that a charter Air Zimbabwe plane flew the 60 South Africans, described as supporters of the African National Congress, The refugees, including children and several whites, arrived Saturday in Zambia, Renters reported

from Lusaka, Zambia. The congress is the most promineut of the groups seeking the overthrow of white minority rule in

South Africa. While the exiles were being deported, the South African foreign minister, R.F. Botha, said in a statement that his government had decided to "lift the border control

The departure of the exiles, South African commentators said, reflected South Africa's ability to enforce its will on an economically dependent black-ruled neighbor.

While Pretoria has seemingly reached beyond its borders to tighten the noose around the congress, the organization's popularity and influence in South Africa seems as strong as ever.

· "Sooner or later, we will have to dog is dead! The dog is dead!" deal with it," said Alex Bornine, a Preform Warns Botswana white opposition leader, in a public debate about the rebel group that would have been unthinkable only a few years ago.

Visitors returning to South Africa after several years say they are amazed that the role of the congress, which was outlawed in 1960 and has been operating from exile since, is debated at all in a nation with such a pervasive security net-

Lesotho, a mountainous king- ally assist the congress's "terrordom that gained independence from Britain nearly two decades ago, is encircled by South Africa. South Africa imposed tight controls Jan. 1 on traffic across its border with Lesotho, effectively imposing a blockade to back up demands that the small kingdom hand over congress members.

The blockade brought political divisions within the black-ruled country's hierarchy into the open. Last Monday, the country's autocratic prime minister, Chief Leabua Jonathan, was overthrown in a

Since then, the country's new rulers, although rejecting Pretoria's demands that members of the con- several homes were destroyed.

gress be handed over to South Afri-ca, have sought a settlement with

From South Africa to

Pretoria to end the blockade. In his statement Saturday, Mr. Botha said South Africa and Lesotho had reached an agreement that was similar in content, although not nearly as formal, as Pretoria's nonaggression pact with Mozam-bique in March 1984. "The two governments sub-

scribed to the principle that neither would allow its territory to be used for the planning or execution of acts of violence or terror and that they would take steps to see that this principle is effectively ap-plied," Mr. Botha said.

In South Africa, meanwhile, po-litical violence, which has claimed oearly 1,100 lives since September 1984, continued at the funeral of a political activist, who was slain two weeks ago shortly before he was to meet with a U.S. official, Chester A. Crocker, the assistant secretary of state for African affairs. More than 5,000 people attended

the funeral of Ampie Mayisa, at Leandra, the black township east of Johannesburg. Mr. Mayisa was said to have been killed by progovernment blacks.

During the funeral, witnesses said, a group of Mr. Mayisa's supporters pursued a man whom they accused of taking part in the killing, hacked him to death and rerned to the burial chanting, "The dog is dead! The dog is dead!"

Mr. Botha warned Botswana that it faces military "action" if it does not halt what Pretoria regards as the use of the country's territory as a springboard for attacks on South Africa by the African National Congress, Agence France-Presse reported from Johannesburg. Mr. Botha, in a statement quoted

by the Sunday Times, said he accepted that Botswana did not actuists," but charged the Gaborone government was aware that the congress was using its territory. He warned Botswana, "that infiltration route will have to be closed" or the South African army

would take "appropriate action," the Sunday Times reported. This policy, he said, "applies to all coun-A Botswana government spokesman, replying to Mr. Botha's com-

ments, said the threat was "compictely unwarranted." He said it was "a stark reminder" of the raid on Gaborone by South African commandos last June, in which 12 people were killed and



## Militants Gain Control of Sikh Shrine

AMRITSAR, India - Militant Sikhs assumed top religious offices Sunday, giving them effective con-trol of the Golden Temple.

Their action at the temple here, in Punjab state, excludes moderates who cooperate with the central government. The temple is the holiest shrine of the Sikh faith.

Meanwhile, Police and soldiers were on alert in Punjab, where Sikhs are in the majority, and in the oeighboring, Hindu-dominated state of Haryana after a government commission failed to agree on terms for the transfer of the city of Chandigarh to Punjah. Chandigarh is the joint capital of Punjab and The transfer had been scheduled

for Sunday. It was a key element of a peace agreement signed in July by Prime Minister Rajiv Gandhi and moderate Sikh leaders to end three years of Sikh autonomist violence. At the Golden Temple, 20,000 Sikhs voted at a militant-sponsored assembly to replace moderate officials with more militant function-

Many militants shouted for the separation of their homeland from India, and waved flags of the Khalisten state they want to establish.

Moderate Sikh groups disputed
the legality of the assembly, but the

militants were left in effective control of the temple complex to the exclusion of supporters of the Akali Dal party of Punjab's chief minister, Surjit Singh Barnala.

The militants rejected the Punjab peace pact between the Akali Dal and Mr. Gandhi,

# Report Links U.S. Aides Seek a Distancing From Marcos 13 Slayings To Filipino Campaign

By Francis X. Clines New York Times Service

MANILA - Incidents of assassination and intimidation, part of the political tradition in the Philippines, are an increasing factor in the campaign for the presidency, with 13 slayings reported in the government's latest count issued Saturday.

Nine of the victims have been supporters or campaign workers of the opposition candidate, Corazon C. Aquino, and four were members of President Ferdinand E. Marcos's party, according to the government

Most of the shootings and slayings have occurred in the last six weeks in the provincial areas in central Luzon, 50 miles (80 kilometers) or more from the capital. This was described as the nation's "No. I hot spot" in a report issued by the nilitary and police anthorities.

Mrs. Aquino became a candidate after her busband, Benigno S. Aquino Jr., was assassinated. Op-position leaders said that some of the shooting incidents had clearly been designed to intimidate entire areas of Aquino supporters.

The major example they cite was the shooting of Jeremias de Jesús, a provincial campaign leader and godson of Mr. Aquino. His right thumb and index finger were cut off in what was taken as a desocratioo of the L-shaped hand signal that is a symbol of Mrs. Aquino's

The president's supporters deny a connection between his campaign and the violence, noting that scores of slayings, some of them related to community and family vendettas, have regularly occurred in each maor Filipino election.

■ Marcos Criticizes 'Meddlers' Mr. Marcos criticized on Sunday meddlers and interventionists from overseas who will be monitoring the election, The New York

Times reported from Manila. "To preserve our sovereign integrity, we must prove to them nobody need tell us how to hold a clean and democratic election." Mr. Marcos said at a caucus of his party leaders.

His statement also implied that it might be Mrs. Aquino's supporters who would cause the vote to be unfair by their efforts to recruit freelance poll-watchers to counter what they say are plans for massive cheating by the president's party.

# (Continued from Page 1) States for Mr. Marcos to go, they

do not appear to have any idea of who would succeed him. Most of the officials are also

wary of his opponent in the election, Corazon C. Aquino. The officials say they have little confidence in her leadership skills. Despite a variety of statements

from the two candidates throughout the campaign, their positions on the U.S. bases are essentially the same. Both say they would keep the bases through the life of the current agreement, which expires in 1991, and would negotiate a new agreement in the light of their perceptions of the domestic and international situations at that time.

The public articulation of the administration policy is not to choose

Is Indicted (Continued from Page 1) prohibits offering someone money to stay out of or withdraw from a political race.

Candidate

Mr. Davis and Ms. Fiedler, who was first elected to Congress in 1980, are both considered conservative and have been competing among the same sources for political contributions. Mr. Davis was reported to be

having difficulty with campaign finances. Addressing the issue at a separate news conference Friday, he said that he was "down" by about \$100,000.

Mr. Davis issued a statement Friday describing what he said were the events that led to the indictment.

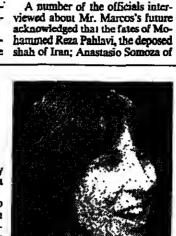
He said that last November, "An intermediary representing the Bobbi Fiedler campaign contacted my campaign and indicated that the Fiedler camp would be willing to pay off \$100,000 of an alleged campaign debt in return for my paign, withdrawal from the U.S. Senate The Davis aide was wearing

said, he sent a campaign aide to of the case. The district attorney discuss the matter with Mr. Davis's has not released a transcript of the lawyer, "who indicated that some conversation, "but once it does it illegal activity had occurred."

tomey, Michael D. Bradbury, who said. is an active member of Mr. Davis's The participant, who asked not campaign, was brought in on the to be identified, said that a Davis discussions. According to the Los backer had approached Fiedler Angeles district attorney, Ira Rei- aides to say Mr. Davis had decided ner, the case was forwarded to him to pull out of the race for lack of after Mr. Bradbury consulted with funds. the offices of the state attorney general and the U.S. attorney.

Aide Tells of Taping Jay Mathews of The Washington

Post reported from Los Angeles: on reported from Los Angeles: and perhaps
One participant in a Jan, 12 ment in turn,



ment to take over the Philippines."

thereby accept greater responsibil-

ity for whatever might come.

The administration has decided,

meeting at Ms. Fiedler's home said Saturday that Ms. Fiedler told Mr. Davis' campaign manager, Martha Zilm, that any financial help Ms. Fiedler might give Mr. Davis would be "as a friend" and that she wanted "no guarantees" of what Mr. Davis might do about his cam-

secret recording device as part of On learning of this, Mr. Davis the district attorney's investigation will show that Bobbi is innocent," The Ventura County district at- the source, a Fiedler supporter,

Ms. Fiedler's aides, the source said, thought that they were discussing a way to promote unity within the Repubbican Party by helping Mr. Davis retire his debt, and perhaps receive his endorse-

processes and change. This, in it- the minds of Mr. Reagan and his sell, represents a dramatic shift top advisers. Whatever the U.S. from Mr. Reagan's contention in role in their downfalls of those the "alternative" to Mr. Marcos the political blame.

was "a large Communist move-The public focus is on the presidential elections in the Philippines. But officials say they do oot have for the time being, neither to do high hopes for honest results. They whatever is necessary to support a worry about a patently fraudulent close ally whose hold on power result that could radicalize Philipseems increasingly tenuous, nor to pine politics, about moderates eihelp depose him from power and ther being made irrelevant or drawn toward alliance with the

> Communists For the most part, officials are looking beyond the election. To be sure, they say they still want the contest to be a "free and fair" one that would reinvigorate democracy

between Mr. Marcos and Mrs. Nicaragua and Ngo Dinh Diem of in the Philippines and re-establish Aquino, but to stress free and fair South Vietnam were very much in the armed forces there as a neutral force in democratic politics. But they anticipate that the real tests will come this year, or next year at the presidential debate of 1984 that leaders, incumbent presidents took the latest, when they say they expect Mr. Marcos to be gone because of his health.

The general view among those interviewed was that Mr. Marcos would win and that fraud would be widespread.

If most of them had their way, Mr. Marcos would win a election that was not too unfair and then quickly step aside in favor of his vice presidential candidate, Arturo Tolentino. "Tolentino is 75 years old, respected and reasonable and perfectly designed to carry out a transition," said a senior State De-

partment official. Savimbi's Prospects in U.S.:

### Moral Support but No Aid (Continued from Page 1).

ment of the whole matter, including Namibia."

He said a congressional resolu-

tion on the subject was being worked on" by the Senate majority leader, Robert J. Dole, Republican of Kansas, and by Senator Richard G. Lugar, the Republican of Indiana who is chairman of the Foreign Relations Committee.

The secretary of state said the resolution would provide "a general expression of sentiment" in support of Mr. Savimbi's guerrillas.

A senior administration official, asked 10 amplify Mr. Shultz's comments, said Saturday that "one of the foundations of our policy is the belief that military solutions to the

and that a negotiated agreement is the only way to attain durable peace and stability."

Chester A. Crocker, assistant secretary of state for African affairs, recently met Angolan and South African leaders to discuss the drawn-out negotiations. Mr. Shultz said in the interview that a negotiated accord remained possi-

"It's a long, hard process," he added, "and I don't want to give any impression that we're about to find a solution But the process is alive, and the exchanges are of such a nature that movement is discern-

to affirm the right of the United

States to coter what it considers

international airspace. Two F-14s

shot down two Soviet-built Libyan

fighters that the United States said

Italy has a privileged relation-

ship with the Arab world and oo

Arab country is considering taking

measures against it, Reuters reported the Arab League's secretary-general, Chedli Klibi, as saying

had fired at its planes.

Sunday in Rome.

Arabs Reassure Italy

# Qadhafi 'Confronts' U.S. Fleet

(Continued from Page 1)

ning of the Maltese and Italian continental shelves," be said. This was interpreted to mean

that be was extending Libya's sphere of economic interests into the central Mediterranean. Standard reference books show almost all of the Gulf of Sidra as beyond the continental shelf, which generally ends at a sea depth of 600 feet. The colonel denied radio reports

Saturday that two Libyan jet fighters had backed away Friday from an aerial cogagement with four U.S. fighters from the 6th Fleet.

"There was no fight yesterday," be asserted. Colonel Qadhafi also said Libyan aircraft had intercepted and

His comment followed Saturday's statement by the Maltese government that Libya had threatened to strike U.S. military bases in the Mediterranean, including those at Naples and Sigonella in Sicily. warned off 18 U.S. planes that had

"The relations that unite Italy to tried to approach Libyan airspace. the Arab countries are privileged In 1981, U.S. carrier-based light- and we wish to preserve them." Mr. ers were ordered to fly over the gulf Klibi said in a statement.

# - 8th Paris-Algiers-Dakar Rally -4x4x4

The Mitsubishi Pajero. 4th consecutive Marathon Class winner in the Paris-Dakar Rally. -'83,'84,'85,'86



1983: Triple-Crown Victory: Category 2, Marathon, Best Team 1984: Repeat Triple-Crown: Categories 2 and 4, Marathon 1985: 1-2 Overall, Categories 2, 4 and 6, Marathon

Marathon Class: No replacement of major parts in Unmodified Production Car Category



last

A STATE OF

. Kari

50

**Total loans outstanding** 

Commercial and industrial

bank loans outstanding, in

billions of dollars.

By Eric N. Berg
New York Times Service
NEW YORK — Last October,

Manufacturers Hanover Trust

Co. lent \$180 million to a major

oil company. But rather than holding the loan to maturity, as banks have always done, Manu-facturers Hanover within weeks

sold half of it to other financial

This is but one example of

what banking experts say is a

significant change sweeping the banking iodustry. One after an-other, major U.S. banks are us-ing their deposits more produc-

tively by selling off billions of

dollars of their best business

loans and relending the proceeds

"We try to sell as many of

these big wholesale loans as we can," said Francis X. Stankard,

chairman of Chase Manhattan

Carl O. Roark, a senior vice

president at Bankers Trust Co.

said, "Loan selling is at the core

Yet as the market for loan

sales heats up, concerns are be-

of our strategy as a bank."

to new customers.

Capital Markets Corp.

institutions around the world.

The Increase in Loans Sold by U.S. Banks

Loans sold

Sources: Federal Reserve Board; Strategic Planning Associates Inc.

Some federal regulators fear loan sales, and that some parties that, as banks shear off huge sec-

Some corporate treasurers and

chief financial officers are also

concerned. Although loans carry

the same terms when sold -and

corporate borrowers often con-

tinue making payments to the original issuing bank — corpo-

rate officers say they are made

While recent loan agreements

elearly state that the loans may

be sold, a borrower often does

not know when, or to whom, it has been sold until after the

transaction is completed. Know-

ing to whom a loan will be sold is

important, some corporate exec-

utives say, because their loans

may be bought by smaller banks

that they might not want as creditors if their corporations got

They also fear that confiden-

tial information about their com-

panies might somehow fall into

the hands of a competitor. In

addition, loan selling, they say,

has the potential for wrecking

"relationship banking," the close

rapport between a borrower and

banker that has become the cor-

(Continued on Page 15, Col. 6)

into trouble.

uneasy by the practice.

Loan-Selling Raises Concern in U.S.

tions of top-quality loans from

their balance sheets, the loans

that remain on banks' books will

increasingly be the worst credits,

weakening the nation's largest banks and threatening the safety

of deposits. Indeed, one reason

the Federal Reserve recently

asked banks to increase their

capital is that it felt loan selling

same type of problems could crop up in loan sales that have

occurred in loan syndications.

Such problems led to the Penn

Square Bank debacle. There,

banks that participated in energy

loans made by Penn Square re-

lied on Penn Square's credit

analysis rather than doing their

own bomework, and consequent-

ly had monumental losses when

those issued by Penn Square

mately, loan sales are fine," said

a senior official at the Federal

Reserve, who asked not to be

named. "But in the back of my mind, I worry that someone will

be foolish and irresponsible with

"Done properly and legiti-

Regulators also fear that the

was weakening banks.

Amount of commercial and

banks, in billions of dollars.

Number of banks

industrial loans sold by

in defense and aerospace and that such construction and agricultural

machinery could improve in the

The industry hit a high in 1979.

when new orders totaled \$5.0 bil-

lion. But from 1981 to 1983, the

industry went through its severest

Although the recovery has lasted

several years, the machine-tool in-

dustry, which is also plagued by

imports, has not returned to the

level of robust orders.

Machine-tool orders in 1985 to-

taled \$2.53 billion, compared with \$2.92 billion in 1984, the builders

The tough times have caused a shakeout in the U.S. industry, which includes numerous small

Mr. Lindgren said that as recent-ly as 1981 there were 720 machine-

tool companies. Now the figure is closer to 400 and going down, he

Imports, whieb have taken 44

percent of the domestic market,

may slow with a weaker dollar but

are not expected to give up market sbare, analysts said.

Slowdowns Cited

In Economies of

NEW YORK - The leading

indexes, which project the di-

rection of a given economy, are rising steadily in all of the ma-

jor industrial nations except Ja-

pan and Britain, the Confer-

ence Board reported.
The U.S. business research

organization's International

Economic Scoreboard, which

tracks both the leading indexes and indicators of current eco-

nomic conditions, showed Friday that the leading index was

rising at an annual rate of 11

Behind Australia were Tai-

wan, 10 percent; Italy, 9 per-cent; Canada, 6 percent; West

Germany and France, 5 per-cent; and the United States, 3

The exceptions to the upward

trend were Japan, where the growth rate of the leading index

has slowed to I percent, and Britain, where the index was

declining at an annual rate of 1

The most glaring change in the latest numbers is the abrupt

reversal in Japan, which has

percent, the board said.

percent in Australia.

percent.

Japan, Britain

next six or eight quarters.

recession.

association said.

# As Doubts on Rates Persist Fixed Coupons Are a Fad

By CARL GEWIRTZ

International Herald Tribunt ARIS — Converting incertainty into money is the way investment bankers explain the latest fad in the Euro-

bond market — the sale of options to buy fixed-coupon bonds. The uncertainty, of course, is the level of U.S. interest rates during the coming decade.

Corporate treasurers, judging by their willingness to sell options on high-coupon, non-callable paper, would appear to believe that rates are headed higher. And investors, judging by the high prices that are willing to pay for these coulons, are willing to high prices they are willing to pay for those options, are willing to speculate that rates will drop.

For Week Ended Jan. 22 U.S.S ig term, int'l inst. ....

Yen medium term, int'l inst.

Yen ig term, int'l inst, \_\_\_

Total Dellar Havistania

Cadel 19,076,20 12,164,00 6,912,20

Eurocleor 36,102,70 29,427,70 4,675,00

Chrysler, Westpac Bank-ing. Nederlandse Gasunie, Eurobond. Yields DSM (formerly Dutch State Mines) and Den Norske Creditbank - using very different structures - all used the warrant formula last week to raise money on the international capital market.

Chrysler tagged on to its \$100-million of four-year, 10-percent bonds 100,000 warrants to buy eight-year non-callable bonds bearing a coupon of 10% percent. Chrysler used the moneyback formula - issuing eight-year warrants at \$25 and offering to redeem them at \$17 after the fifth year or at \$25 at the expiry date.

Another plus for the warrants was the relatively uncomplicated structure — they can be exercised for cash with no mandatory waiting period. They ended the week quoted in a range of \$32-

The warrants are thought to have an additional speculative appeal as many investors believe the parent company is a better credit than its current triple-B rating indicates. An upgrading would reduce the spread it pays over Treasury paper, leaving room for the warrants to have value even if interest rates move up. However, the coupon on the warrant bond — roughly 100 basis points over current Treasury yields — already anticipates some of that upgrading.

Y CONTRAST, the four-year notes, issued at a price of 100%, ended the week at a discount of 98%, where they yielded 160 basis points, or 1.6 percentage points, over comparably dated Treasury notes.

Westpac also packaged a bond issue with warrants. Its \$100-

million, 10-year bonds were offered at 100% bearing a coupon of 10, but ended the week down 24 points. The bonds are callable

10, but ended the week down 2½ points. The bonds are callable after five years at a premium starting at 101½.

Its 200,000 of 10-year warrants are redeemable and bear interest. If unexercised at the expiry date, holders can get back the \$50 offering price. For the first five years the warrants pay a dividend of \$5, but during that period they cannot be exercised. In the final five years, they can be used to buy 11½-percent paper maturing in 1996. But to exercise, investors have to surrender the callable have been deriber then require in cash — a feature that is callable host bond rather than paying in cash — a feature that is rapidly fading from favor.

The warrants traded hands at almost \$70 each before retreating

at week's end to \$55. When the dust had settled, traders said an unattractive feature of the warrants was the long waiting period before they can be exercised.

The warrants issued by Gasunie, DSM and Den Norske were notable from the corporate treasurer's view. The bulk of the warrants issued to date have represented the securitization of the call on new issues. That is, a 10-year bond callable after five years was sold along with 10-year warrants, exercisable after five y to buy paper bearing otherwise identical terms. This securitization of the call feature has now moved a step

further with treasurers selling the call on earlier issues.

Gasunie has an outstanding issue of \$75 million of 114percent bonds maturing in 1991 and callable after 1988, starting

at a price of 101. Now, Gasunie is offering 75,000 warrants, expiring in 1991, to buy 11-percent bonds maturing at the same date. The warrants are not exercisable until 1988. During the first two years, they will pay a dividend of \$2.50.

Initially offered at \$26 each, the warrants ended the week at 342. Officials at the lead manager, Morgan Stanley, said the relatively small size of the offering and the high 11-percent coupon on the warrant bond explained the rise.

of smaller of Park

A STATE OF THE STA

Action of the second of the se

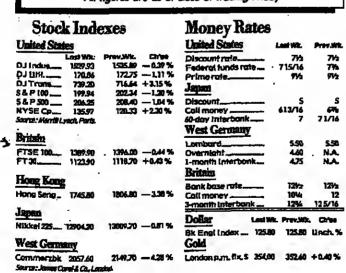
WestLB

Manager - Languages

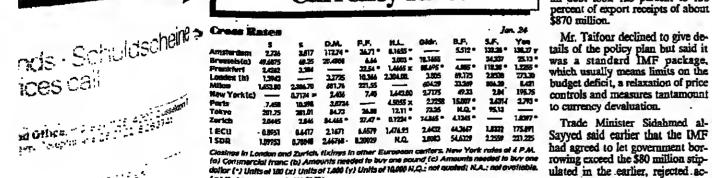
DSM used an identical structure. It has outstanding \$150 million of 11% percent bonds maturing in 1991 and callable in 1988 starting at 101. It is now selling 150,000 of five-year warrants, not exercisable for the first two years, to buy 10% (Continued on Page 13, Col. 1)

### **Last Week's Markets**

All figures are as of close of trading Friday



### **Currency Rates**



Other Bollar Values Currency per U.S.3
Argen, metrical 0.00
Austrat. 3 1,000
Austrat. 3 1,000
Austrat. 17,21
Bells. fin. fr. 91,00
Brazil crux. 11,570,00
Cenodica 9 1,008
Chimese yours 2,005
Dunish krime 8,925
Egypt. pocked 1,34
Moloy. rice. 2,454 Cerrency per U.S.S Currency per U.S.S Argon, custout 0.80 Fig. morketo 5.455 Phil. pero 18.50 Port, escude 157.50 Soudi rivel 24.56 Sing. 2 22779 S. Afr. rend 2 2777 S. Kor. won 573.65

Sources; Bassive du Benelus (Brussels); Banco Commerciale Halland (Milan); Bansive Ho-flande de Parla (Parla); Bank of Tokre (Tokro); IMF (SOR); BAII (dinar, riyal, dirham); Gasbank (ruble), Other data from Reviers and AP.

# TI Posts Loss for Quarter

### **But Chip Sales** Said to Improve

By Thomas C. Hayes New York Times Service

DALLAS — Texas Instruments Inc., still suffering from Japanese competition in its semiconductor unit, has reported losses of \$41.2 million in the fourth quarter, compared with a profit of \$64.6 million. or \$2.64 a share, a year earlier.

But analysts said the loss was lower than expected and indicated that semiconductor sales were im-

The company also announced Friday that it had filed suits against nine Asian semiconductor makers, charging them with violating Texas Instruments' patents on various computer memory products. The suits assert that it is impossible for the manufacturers, eight Japanese and one Korean, to produce the dynamic random-access memories they are selling to the United States without using technology created

by Texas Instruments. Adam Cuhney, a semiconductor analyst with Kidder, Peabody & Co. in San Francisco, said the suits could result in a ban on sales of those companies' semiconductors by the U.S. International Trade Commission within six months.

This attack is extremely aggressive and could lead to great im-provement for the business of all United States semiconductor manufacturers," Mr. Cuhney said. The ITC decided unanimously Wednesday that Japanese manufacturers had "dumped" 256-K semiconductors below cost to gain a larger share of orders in the United

In the fourth quarter, Texas In-struments sales fell 20 percent, to \$1.2 billion, from \$1.5 billion.

For the year, the company reported losses of \$118.7 million, compared with a profit of \$316 million, or \$13.05 a share, in 1984. Sales fell 14 percent, to \$4.9 billion, from \$5.7 billion.

Jerry R. Junkins, president and chief executive, said fourth-quarter losses were due principally to lower sales and "sharply" lower prices on semiconductor products. He also noted that Texas Instruments lost market share in 1985.

led in semiconductor production. Norman Neureiter, a company

spokesman, said Fujitsu Ltd., Hitachi Ltd., Oki Electrie Industry Co. and Toshiba Corp. of Japan and Samsung Electronics Co., a Korean manufacturer, are five of the com-panies named in the suits.

**Sudan Nears** 

Compiled by Our Staff From Dispatches

KHARTOUM - The Interna-

tional Monetary Fund and Sudan's

Finance Ministry have agreed on

an economic policy plan, Finance Minister Sidahmed Taifour said

He said the proposals would go to the cabinet before Friday. If the

ministers approve, the accord

would substitute for one that was rejected by the cabinet in Novem-

Sudan urgently needs a clean bill of health from the IMF to raise

money from Arab and Western do-

nors to pay overdue debts, includ-

ing more than \$220 million due to

IMF gave Sudan a month to repay the \$220 million or be officially

Sudan's debt-service ratio has

risen because drought has under-

mined agricultural exports and much of the cotton crop is unsold. Mr. Taifour said servicing the over-

all debt took 125 percent to 150

percent of export receipts of about

Mr. Taifour declined to give de-

tails of the policy plan but said it

Trade Minister Sidahmed al-

cord. It had also agreed that the

money-supply rate be raised from

20 to 25 percent, Mr. Taifour said.

month ago after his predecessor re-

signed in the dispute over IMF

terms, said a Sudanese delegation

that visited the IMF in Washington

earlier had promised to pay \$10 million toward the \$220 million in

(Reuters, AFP)

Mr. Taifour, who took over a

declared in default.

\$870 million.

Agreement

With IMF

Sunday.

# Prime Minister Mir Hussein

LONDON -As Iran and Egypt A recent survey by Dataquest announced major cuts in their oil Inc. placed Texas Instruments production in the face of falling third among the world's semicon- prices, Mana Said al Oteiba, the oil ductor manufacturers, after Ja-minister of the United Arab Emir- put until further notice. The Iranifirst year since it helped create the industry nearly 30 years ago in which Texas Instruments had not coordinate policies to prevent further price deterioration.

> Speaking at a news conference to Abu Dhabi before leaving for a special OPEC committee meeting in Vienna, Mr. Oteiba said that every oil producing nation should act to stop further price cuts. He

> > By Alan Riding

New York Times Service

three months after a U.S. initiative

raised hopes of an easing in Latin

America's financial problems,

there is a renewed urgency about

the region's debt crisis.

The immediate catalyst of the

concern is the drop in world oil

prices, which has shaken Mexico

and Venezuela, two major debtors that depend overwhelmingly on oil

revenues to maintain interest pay-

This has coincided with mount-

ing opposition to Argentina's aus-

terity program and a wave of na-

tionalism in Brazil that bas

prompted the regime to take a firm-

er stand in its talks with creditors

and the International Monetary

the region said that these four debt-

were under greater pressure than

ever before to reduce their foreign

payments and give priority to do-

mestie expansion, moves that

would inevitably lead them into conflict with their creditors.

the drop in oil prices would bring

year for Brazil, which imports

450,000 barrels a day, the damage

to Mexico and Veneznela was ex-

pected to have a much greater de-

stabilizing effect on the regional

This has overshadowed the ini-

tiative made by Treasury Secretary

debt situation.

savings of perhaps \$1 billion this

They also pointed out that, while

Foreign bankers and officials in

ments on their debts.

the IMF by Feb. 3. On Jan. 3, the or countries, which among them IMF gave Sudan a month to repay owe about \$285 billion abroad.

RIO DE JANEIRO — Barely

the country would halve its oil out-Echoing Mr. Moussavi's sugges-

tion of a Western conspiracy to bring down oil prices, Gholamreza Aqazadeh, Iran's oil minister, said the country had already reduced oil exports and stopped selling oil on the spot market.

Mr. Agazadeh spoke at a news con-exports 300,000 barrels daily.

nomic adjustment programs with

So far, no concrete actions have

been taken as the result of the ini-

tiative, which bankers and officials

say involves resources far smaller than needed to confront the pre-

sent crisis. "We still have no direct

U.S. government involvement in providing funds, an American banker noted. "There is no way

that the government can stay in the

After the debt crisis surfaced in

1982, Mexico adopted a tough

IMF-approved austerity program

and seemed on the way to recovery

nntil oil prices began tumbling last

year. Mexico exports 1.5 million barrels a day, which accounts for 75 percent of its exports.

Madrid was willing to assume the

quired \$4 billion in fresh loans to

to new money this year.

hanker said

While President Miguel de la

the IMF.

back seat."

over a three-year period to 15 gov-duced inflation, stabilized the ex-

political risks of cutting govern-ment spending and holding down concessionary terms for a debt-re-wages, even before the latest oil-structuring package unless the

price reductions, Mexico said it re- country first obtains some endorse-

keep up interest payments on its

Even in Venezuela, a country

\$96 billion in foreign debt. Now, with \$31 billion io debt but a

according to some estimates, Mexi- healthy \$13.5 billion in reserves

co may need as much as \$8 billion the debt question has become high-

find that money at home and urged to renegotiate a draft agreethere's no way it can raise it with ment to restructure \$21.2 billion in

commercial banks," a foreign debt in order to compensate for

There's no way that Mexico can President Jaime Lusinchi is being

into a deep slump.

Last week, President Raul Al-

standby credit because the govern-

ment's deficit exceeded agreed him-

In Brazil, the region's largest debtor, owing \$104 billion, opposi-tion to the IMF is being led by the government itself, with a 7.4-per-

cent surge in economic growth last

year apparently serving to vindi-

cate President José Sarney's deci-

sion to ignore calls for austerity. But while Brazil is up to date on

its interest payments, the govern-

cial creditors have been tense. For-

eign banks, alarmed by rampant

ment of its policies from the IMF.

ly politicized in recent months

its in the last quarter of 1985.

few days, a Cairo daily said.

The government-controlled al-Akhbar said Sunday that an agreement on reduced output had been reached between the Oil Ministry and producers operating in Egypt. Egypt is not a member of OPEC. It

Tehran Radio said Sunday that produces 870,000 barrels a day and

Oteiba Urges Action to Halt Oil Slide conspiracy" to drive down prices and said OPEC members should Moussavi of Iran reportedly said consider using their large level of Western imports as a weapon.

ductor manufacturers, after Jaminister of the United Arab Emirants NEC Corp. and Motorola ates, said Sunday that there was Inc. of the United States. It was the It is for members and non-move was "an effort to thwart plots" move was "an effort to thwart plots on its economy, aims to re"We feel we are going to have a aimed at weakening oil exporting duce production by 100,000 to better year in 1986 than in 1985,"

countries."

"We feel we are going to have a better year in 1986 than in 1985,"
be said. "Modestly better. We're

# **U.S. Tool Orders** Declined 13.2% During 1985 He said that there was strength

By Daniel Cuff

NEW YORK - The U.S. maehine-tool industry ended 1985 with a drop in new orders and anawas only modestly optimistic. For all of 1935, new orders were

down 13.2 percent from 1984, according to figures by the National Machine Tool Builders Association released Monday. Orders in De-cember fell 9.3 percent from No-vember and 30.6 percent from De-

Machine tools cut and shape metal parts. Customers are companies to heavy industry and therefore the health of the machine-tool industry depends a good deal on capital spending plans.

Recent surveys of capital spending show that corporations are planning to scale back expenditures on plant and equipment this year, a move that does not bode

well for machine tools. Some of the uncertainty has been attributed to the unknowns associated with proposed tax changes for depreciation and investment credits. James A. Gray, president of the association, said, "This regrettable decline to orders for the year reflects the uncertainty of machinetool buyers in light of President

Reagan's anti-growth, anti-busi ness tax reform efforts."
"We are concerned," he added, "that these tax proposals, the fouryear-old recovery and forecasts of even lower capital spending in 1986 foreshadow continued order de-

The Commerce Department bas reported that capital spending would be cut by I percent, after adjusting for inflation, in 1986. Not all analysis, however, were convinced that capital spending might be as bad as the surveys show. A recent report by Andrew J. Silver, machinery analyst at Donaldson.
Lufkin & Jenrette, said capital
spending could be "surprisingly

strong" during the year.

Mr. Silver said capital spending could grow by 6 to 8 percent before inflation, fed by such factors as stronger consumer spending, a reduction in imports and a pickup in

Further optimism was voiced by Richard T. Lindgren, chief executive of Cross & Trecker, a machine-

looking also for continuing the in-

crease io machino-tool sales as an Mr. Lindgren said he saw "quite

a bit of strength" in the auto industry. "We have been doing proposals on quite a number of projects," he said, "and some of these are going

### fallen to nearly the bottom of the list," said Edgar R. Fiedler, economic counselor of the Oil Slump Revives Fears on Latin Debt Siemens Seeking Closer Ties

That initiative called for an infusion of \$9 billion from international lending organizations and \$20 billion from commercial banks

Argentina won accolades in the international community after it imposed a tough austerity program last June, which dramatically re-

BONN - Siemens AG. West ernments — 10 of them io Latin change rate and enabled the IMF America — if they worked out eco- and foreign banks to resume loan Germany's largest electronics and telecommunications group, has an-nounced that it had sought to bold disbursements. But the plan also pushed the Argentine economy talks aimed at closer cooperation with Cie. Générale de Constructions Teléphoniques, the governfonsin faced an additional prob- ment-owned company that is France's second-largest supplier of lem, with the IMF suspending dis-bursements of a \$1.4-billion telecommunications equipment.

A French government spokes-man said Friday that Siemens had also expressed interest in acquiring a stake in the telecommunications group. But Siemens officials said it was premature to say what direction the talks would take. The move came days after Sie-

mens announced an agreement with GTE Corp. of Stamford, Connecticut, in cooperate in telecom-

shuffling in the world market for digital telephone exchanges, with companies seeking partners to deal with development costs and compeution fostered by deregulation. The effort by Siemens to woo the French is of particular significance, since France's Cie. Generale d'Electricité, another state-owned

munications. It also reflected a re-

company, is negotiating a complex arrangement with American Telephone & Telegraph Co. and Philips NV, the Dutch electrical and communications giant. Those negotiations seek cooperation in developing and marketing telephone itching systems. French authorities are reported-

ly resisting that agreement, but Siemens officials said Friday that their feeler had been extended at the French government's invitation.

### **AVIS** aux porteurs de parts de **EAST INVESTMENT FUND**

Le conseil d'administration de East Investment Fund Management Company S.A. Ianç. Arab Japan Fund Management Company S.A. I a décidé de modifier comme suit les dispositions des articles I et Ih du règlement de gestion de East Investment Fund.

L'article I du Règlement de Gestion est modifie comme suit:

A l'initiative de Daiwa Europe N.M., Amsterdam et Gefinor Investment Limited. Nassau, «East investment Fund» (ci-après nommé le «Fonds») est constitué sous forme de fonds commun de placement conformément aux lois du Grand-Duché de Luvembourg en coproprieté indivise de l'ensemble de ses valeurs mobilières et autres avoirs, gere dans l'intérêt des conforméments propriétaires le la propriétaires le la propriétaires le la propriétaire des conforméments. Consemble de ses valeurs mobilières et autres avoirs, gerce dans l'interêt des copropriétaires tei-après désignés «les porteurs de Paris» par East Investment Fund Management Company S.A. (ci-après denommée «la Société de Gestion»), une société de droit luxembourgeois établie et ayant son sière social à Luxembourg. Les avoirs du Fonds qui sont confiés à la garde de la Kredictbank S.A. Luxembourgeois tei-après dénommée la «Banque Dépositaire») forment un patrimoine distinct de celui de la Société de Gestion. En acquérant des Paris de Fonds, tout porteur de Paris, adhère nieinement au present Réglement de Gestion qui détermine

Parts adhère pleinement au present Réglement de Gestion qui détermine les rapports contractuels entre les porteurs de Parts de la Société de Gestion et la Banque Dépositaire. Le premier alinéa de l'Article 16 du Réglement de Gestion est La durée du Fonds n'est pas limitée. Le Fonds pourra être dissous à

n'importe quel moment sur décision de la Société de Gestion, et il sera dissous en cas de dissolution de la Société de Gestion. L'avis de dissolution sera public au Memorial, Recueil Special des Societes et Associations sera public au Memonai. Recuen speciai des Societes et Associations du Grand-Duché de Luxembourg et dans au moins trois journaux luxembourgeois et étrangers à diffusion adéquate. La dissolution deviendra effective après sa publication. L'émission et le rachat des Parts seront arrêtés dès la décision ou la survenance du fait entraînant la liquidation.

East Investment Fund Management Company S.A.



131/2 Apollo Comp. Mr Gosket Bitter Corp. 51/4 Modulaire 11% 12%

SELECTED U.S.A./O.T.C. QUOTATIONS anywhere. All Dassault Falcon and Learjet models available. WITH COMPLIMENTS OF For further details, please call: Zurich Ph (1) 814 37 00 Tlx S6 192 CONTINENTAL AMERICAN Head Office: Geneva Ph (22) 98 45 10 Tix 289 166 Milan Ph (2) 27 84 32 Tlx 335 475 Madrid Ph (1) 259 32 24 Tlx 44192

Page 8	INTERNATIONAL HERALD TRIBUNE, MONDA	AY, JANUARY 27, 1986		Appello Mar Life Car
International Bond Prices  And Frice Mart Life Cut   And Frice Mart Li	Amit Security 4 Mar Price Med Life Carr   on 100 Euroscien Intoperiol 8k   on 100 Euroscien Intoper	## And Price Met Lie Con't And Security SOUTH And S	## APP IC CA  7 Prior 201 497 48 189 181 181 181 181 181 181 181 181 18	Application Made Land-Court  William Tolk Tolk Land-Court  William Tolk
100 Revrendeds R1 inclusives   10, vill and   100   100   100   171	Commant	Trall Y   Struct	91 ** 10 Apr   127 A 77 1 ** 25   64 ** 10 Apr   125	Po S TF Feb bil 645 715
Transaction Butt Oil   19-97-20-10-10-10-10-10-10-10-10-10-10-10-10-10	Continue	Service   17   17   16   1007   100	\$2 17 July 187 227 227 728 de   \$2 17 July 187 727 227 728 de   \$3 17 July 187 727 227 728 de   \$4 17 July 187 727 227 728 de    \$4 17 July 187 727 227 728 de    \$4 17 July 187 727 728 728 de    \$4 17 July 187 728 728 728 de    \$4 17 July 187 72	UNITED KINGDOM  INSTRUCTION OF THE PARTY AND
AFR part   100   113    4   51	914, 914 915 916 916 916 916 917 916 16 917 917 916 16 918 917 917 917 918	79: W. Lon 1979. \$25. 435. 7.72 9 Y Ti Nor 1979. \$25. 435. 435. 7.72 9 W Ti Nor 1979. \$25. 435. 435. 435. 435. 435. 435. 435. 43	74 77 Mary 1939; 4.45 64 72 Avg 1919; 4.45 54 27 Nov 1978; 544 55 27 Nov 1978; 544 57 1979 1978; 544 67 72 Nov 1978; 544 68 17 72 Nov 1978; 544 68 17 1978; 647 69 18 Nor 1978; 4.72 69 18 Feb 120, 1.50 60 18	y Co
Bruit   10   5   44   44   44   44   45   45   44   45   44   45	TICM will see a second seed of the seed of	15	Section   Sect	June 6
Critist and 3 454 4 4 34 inc\$45\$ 1.86 11.1 76 1640 1646 1646 1646 1646 1646 1646 164	504 74 4 4 40 154 154 154 154 154 154 155 154 155 154 155 154 155 154 155 154 155 154 155 154 155 154 155 155	2.3	4	A CONVERSION PREMIUM  AN 10%.  15 Sep 20 metarity  15 Sep 20 Sep 20 metarity  15 Sep 20 metarity  15 Sep 20 S

Auste

# Behind Baker Plan: A Trade Deficit —And the Kremlin

By Clyde H. Farnsworth points and unemployment was

WASHINGTON - There were two basic forces at work in inflows, the future for these Washington last October when the Reagan administration abandoned a stance of benign neglect and initiated a plan to help debtor countries that help

One was the buge and growing trade deficit of the United States, much of which was caused by a sharp contraction of imports by Brazil, Mexico and other beavily indebted countries that suddenly had to tighten their belts to make ends

The other was a surge of Soviet diplomatic activity in the leading debtor countries, which are principally in Latin Ameri-

The Soviets were expanding personnel in their Latin embassies by a factor of 10," a senior U.S. diplomat reported.

For some io the White House, deeper Marxist penetration south of the border posed buge dangers for the United States and the Western alliance. One of the scenarios envisioned was that U.S. troops might have to be withdrawn from Western Europe to be stationed along the Rio Grande.

There was no comfort from the economic numbers. U.S. exports to Latin America had fallen by about a third between 1981 and 1984. Per-capita income in Latin America was down by 12 to 15 percentage

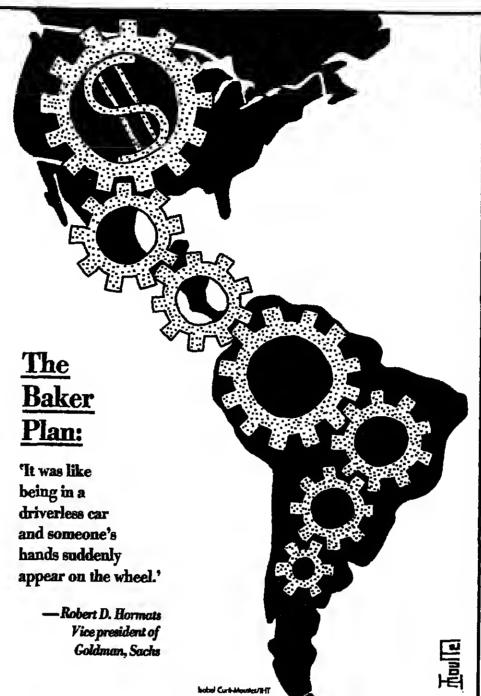
"Without a revival of capital countries is bleak," said Pedro-Pablo Kuczynski, managing director of First Boston Corporation and a former energy and mines minister of Peru.

That Moscow was trying to capitalize strategically on the debt crisis and that industrial cities in the United States were fast losing export jobs because ica brought a chill to the muggy early fall in Washington. What could be done? Admin-istration officials agreed that

the options were limited. "We just couldn't throw money at them," said a key policy-maker involved in formulating the socalled Baker plan. That refers to the compact between debtors and creditors

that finally emerged as the main theme of a speech before the annual World Bank and International Monetary Fund conference in Seoul last Oct. 8 by the U.S. Treasury secretary, James A. Baker 3d. The compact was that credi-

tor governments, commercial banks and the big international lending institutions would assure debtor countries of an adequate flow of money to finance economic growth. The 15 biggest debtors were slated to get an extra \$29 billion over three years.
But to qualify, the debtors



# At the Critical Point, **Debtor Countries Look** To a Political Solution

By Juan de Onis

RIO DE JANEIRO - The Latin American foreign debt situation is at the most critical point since the crisis began in 1982, when Mexico announced to the world that it could not pay its creditors. The situation is dramatic be-

cause the Latin American economies, with the exception of Brazil, are not growing fast enough to maintain living standards and make debt payments at the same

"The debt service is draining Latin America of the capital it needs for investment. It's like taking blood from a patient who needs a transfusion," said Raúl Prebisch, an Argentine economist.

The sense of crisis is increased by the communications gap that exists between the Latin American debtors and the capitalist centers of economic policy-making.

For more than 18 months, the major Latin American governments have been seeking, without success, a comprehensive negotiation on the related problems of debt, development aid and trade with the Group of Five. This steering committee of the United States, Japan, West Germany, France and Britain dominates the Western trading system and international The most that has emerged as a

U.S. Treasury Secretary James A. Baker 3d last fall, to channel \$29 billion to the Latin American debtors over the next three years.

The total is less than has been growth at a healthy annual rate of 6

tional measures leading to lower to more than \$1,000 a year, at 1970 interest rates on the debt and exprices. panded trade, the Baker plan leaves the Latin American debtors deeper in the bole.

Over the past four years, Latin America's developing economies have transferred abroad \$100 bilhave transferred abroad \$100 bil-lion more than came into the re-pounded by the steady decline gion. The net loss in 1985 was more than \$30 billion, according to fig-ures prepared by the United Na-tions Economic Commission for Latin America (ECLA).

ECLA's preliminary estimate is that there was only 2.4 percent growth in Latin America during the past year, even with Brazil, which represents 40 percent of the region's output of goods and services. growing more than 7 percent.

That means that in most countries the region's economic growth lagged behind population growth and joh opportunities were insuffi-cient to absorb new workers. Slums grew around the major cities, rural modernization remained little more than a dream and there was growing hunger, illiteracy and dis-This malaise has been growing

since Latin America stopped its rapid economic expansion of the 1970s, a period during which the policy response at the top level is foreign debt grew from \$20.8 bil-the so-called Baker plan, offered by lion in 1970 to \$170 billion at the lion in 1970 to \$170 billion at the During this explosive growth of

the region's foreign debt, ECLA's figures show a decade of economic

flowing out of Latin America in percent, compared with population each of the last two years to cover debt servicing. Without international during the decade

This process collapsed when cap-ital flight began and international interest rates, led by the United States, climbed to three times more than those that prevailed during since 1980 of basic commodity prices. Both interest rates and terms of trade are factors over which the Latin American econo

mies have no control. The outward flow of capital poses a paradox that is seen by the region's democratic political lead-ers as unsustainable. Without a resumption of economic growth for the region's 375 million people, they say that the debt service cannot be paid as it is now structured.

The debtors are joining forces,

not in a cartel but as a negotiating front. They are insisting that the debt situation can only be managed "politically" by sovereign governments since policy decisions on in-terest rates, trade and multilateral aid must be made by governments. not private bankers. That is the unequivocal message

that came out of the meeting on Dec. 17 in Montevideo of the foreign ministers and finance ministers of the 11-nation Cartagena group created by the debtors in that Colombian city in June 1984. "The international economy is

going through a period of profound disequilibrium and no effort on our

(Continued on Next Page)

# Austerity — How Much Is Too Much?

By William A. Orme Jr.

MEXICO CITY - Latin American debtor nations, concerned about the political risks of their continuing infancial crisis, are besures of the International Monetary Fund at the same time that creditors are demanding that they oriented economic reforms.

Although they have not formulatest a coordinated strategy as yet, several leaders have indicated that political priorities would take precedence over satisfying creditors of the region's roughly \$360-billion

The campaign for a more flexibile attitude on lending has been spearheaded by the three largest debtor nations — Brazil, Mexico and Argentina — as well as Peru, which, after threatening to pull out of the IMF unless it eased its ansterity demands, unilaterally decided to limit its repayments to 10 percent of export earnings.

The threat to political stability in the newly redemocratized nations into debt. of the region - nine countries have switched from military to civilian rule since 1980 — was pointed out by Brazil's President Jose Sarney at a recent General Assembly meeting at the United Nations. "Brazil will sion not with unemployment, nor with hunger," he said.

We are faced with a dramatic choice: It is either debt or democra-

President Miguel de la Madrid, tions. "We're convinced that we powerful government-aligned

EAT REPORT THE STATE OF THE PROPERTY OF THE PR



President de la Madrid

We saw the danger to de la Madrid in sending money to foreign banks in the aftermath of a natural disaster.'

- A New York banker

the meeting because of the earth- don't do something to cure the disquake disaster, had been expected to make the crucial point that Mex-ico, which has often been held up as a model of compliance with IMF measures, was still falling further

Mexico's creditors believe the country will again overshool its anthe \$2.5-billion commercial loan not pay its foreign debt with recesthat Mexico is seeking for 1986, Western bankers and diplomats re-

"We sincerely believe that we are doing this for Mexico's own good, cy," noted President Alan Garcia as well as our own," said a U.S. banker involved in the negotia-

who was prevented from attending have a sick patient here, and if we case, we're going to catch it our-

Mexican officials argue in reply that they have already implemented major structural reforms, often at politically painful cost. Among the many significant steps taken by the government, its defenders note, nounced economic targets this year is the dramatic turnaround of Mexand are demanding substantive ico's historic pattern of trade defi-"structural reforms" as the price of cits, paralleled by the controversial cits, paralleled by the controversial decision to join the General Agreement on Tariffs and Trade long-term commitment to tariff lib eralization that is adamantly op-posed by unions and most industri-

> President de la Madrid's administration also has forced Mexico's

have almost halved real median wages. Most importantly for creditors, the government has punctually met all its foreign loan commitments, publicly terming the debt's repayment a matter of "national

Yet, debt obligations "cannol to think even for a moment that ter banker said. these needs might be sacrificed in the attempt to satisfy foreign credi-

tors exclusively." "Something has to give," Mr. Silva Herzog said. "The debtor nations are paying dearly for a problem whose responsibility clearly must be shared."

But Mexican politicians worry aloud that foreign debt servicing and domestic wage cuts already represent sacrifices that are undermining the country's ruling party and the political stability that it has maintained for half a century.

The tougher, more binding strings that banks are attaching to Mexico's 1986 loan package are portrayed by creditors as an outgrowth of the Baker plan.

When the proposal of U.S. Treasury Secretary James A. Baker 3d was unveiled last year, it was publicly welcomed by Mexican finance officials as an overdue U.S. recognition of "the political dimensions can to substantially reduce its deficit, which is "by far the biggest single macroeconomic problem that Mexico now faces," a U.S. government economics and for fresh leading to debtor nations

trial salary cuts, which, since 1981, it acknowledgment that International Monetary Fund budget-cut-ting strategies had failed to recharge the region's stalled econo-

But on the other side of the negotiating table, the Baker plan is sa-luted as an explicit U.S. endorsement of the need for stricter loan take precedence over the needs of conditions than those imposed by the people," Finance Minister Jesis Silva Herzog warned in a No-IMF, Mexico's commercial credivember speech before Mexico's tors are less interested "in percent-Congress but directed toward ages and monetary data than we bankers. He added, "It isn't valid are in trends," a major money-cen-

Decisions about Mexico's 1986 and future loan requests will be based on "subjective" judgments about government spending pat-terns and the private investment chimate, criteria "which jibe perfeetly with the premises of the Baker plan," he said.

Bankers are now saying that donbts about Mexico's economic outlook and the refusal of some smaller creditors to coutribute to the new loan could delay its approval and disbursement until June. Mexican officials had hoped to receive funds from the credit by February or March, in part to offset the oil price decline anticipated

for early spring. Without an influx of fresh foreign credit, Mexico in the first half of 1986 will find it "extremely difficult" to substantially reduce its





Last year's catastrophic earthquake in Mexico City, left, added to Mexico's already severe economic problems. At right, demonstrators in Lima during the election campaign that brought President Alan García Pérez to power.

"Internal interest payments are for Mexico than the foreign debt," a U.S. Treasury Department ana-

the 1985 deficit swelled to 9.6 percent of GDP, according to Mr. de

With the earthquake that struck la Madrid's November estimate. now a much more serious problem
for Mexico Crty on Sept. 19 further
for Mexico than the foreign debt."

Mexico Crty on Sept. 19 further
straining the country's finances,
fiscal performance since it started

Young Brazilian students in Paraná state, beneficiaries of the Inter-American Development Bank's Prorural development program. The plan has been praised as one the most successful of its kind in Latin America.

### INSIDE

SWAPPING FOR foreign debt has created one of the world's most unusual second-hand markets as the Page 10. debt crisis continues.

BRAZIL'S RECOVERY, now in its third year, has belied the pessimistic appraisals of its critics, a Brazilian Page 11. banker comments.

THE WORLD BANK needs to radically change its mode of operation to be effective, some of its critics in Bra-Page 11. zil believe.

THE SMALL-DEBTOR syndrome' has resulted in crippling debt-service ratios for nine economically-troubled small countries. Page 10,

The Urgent Priority: Finding Catalysts for Growth back to the freewbeeling waste of 1980-1981, when whisky By Pedro-Pablo Kuczynski and cars flooded into Latin American countries and capital

NEW YORK — This year will mark the fourth anniversa-ry of the Latin American debt problem, which started in Mexico in August 1982. An international financial catastro-

phe was averted at the time, as debtor countries cooperated with the International Monetary Fund in a major bell-Almost four years later, it is clear that remarkable progress has been made in defusing the emergency. At the same

### VIEWPOINT

time, it is equally clear that there is not yet a clear direction of where to go next. The major debtors have suffered a 12-percent to 15-percent decline in their per-capita incomes, which puts them back where they were 10 years ago, but with larger and more restless populations.

It is urgent to get growth moving again. Otherwise, there is danger that problems such as the fiscal, financial and social difficulties of Mexico in the last year could turn out to be more serious and thus jeopardize the efforts made so far. A striking fact of the last three years is that the Latin American countries have basically paid for the heavy interest borden on their external debt, which was about \$35 billion to

\$40 billion in 1985, including trade debt, or 35 percent to 40 percent of their export earnings. They have done this by cutting back imports by about 30 percent and building up a large trade surplus. The surplus amounts to 3 percent to 4 percent of regional

gross national product, or twice that of Japan in relative terms. There are two key points about the surplus. First, as long as countries are not able to import more.

their growth will be stunted. There is obviously no need to go

The writer is co-chairman of First Boston International and managing director of the First Boston Corporation, New York. The opinions in this article are personal.

market has deprived major world exporters, such as Western Europe, Japan, Korea and Brazil itself, of a major "overflow market. Pressure is thus put on these exporters to

United States, exacerbating protectionist tendencies there.
Capital inflows are needed in order to get growth moving again. Since James A. Baker 3d, the U.S. Treasury secretary. outlined a plan for commercial banks to increase their lending to poor nations in Seoul in October, all eyes have been on the World Bank.

The World Bank and the Inter-American Development Bank have so far taken a back seat in the debt problem. They have increased disbursements significantly, but the net flows after recovery of interest and principal are still modest.

The feeling in the multilateral development banks was

that the first stage of the debt problem, namely a balance of payments crisis, was mostly a challenge for the International Monetary Fund. Now that it is clear that the road to recovery is a long one, a clearer response is needed from the development institutions.

After Mr. Baker put on record that the U.S. government was willing to help, a more aggressive approach can now be justified. It obviously has to go hand in hand with an increase in the capital resources of both institutions, basically guaranteeing commitments but not cash from their shareholding governments. Many ideas have been floated on how to get more lending from the multilateral development banks. They require careful study and time to be carried out. In the meantime, the two institutions together have undisbursed loan commitments, already made for concrete development projects, of close to \$25 billion. The obvious priority is to get this money out. Countries are paying commitment fees on it but cannot draw it down fast enough because they do not have the matching local resources.

For a temporary period, the development banks could and cars flooded into Latin American countries and capital rushed out. But some growth in imports of equipment, parts and raw materials is essential. As long as the entire trade many economics need and this would have the advantage of surplus has to be used up to pay interest, this is not possible. being related to specific projects and programs rather than Secondly, the moribund state of the Latin American general-purpose aid. As economies revive, private investment will recover and so will investment from abroad. Wishing it and talking about it will not make it happen. The flow" market. Pressure is thus put on these exporters to fundamental ingredient is a continuous period of realistic expand in the only large open market in the world, the and consistent economic policies, particularly on exchange rates and fiscal policy. Deregulation and the elimination of stifling export taxes are fundamental.

> A serious beginning has to be made on reducing the role of state enterprise. Argentina bas made an auspicious start with the Plan Austral launched last June. Brazil and Mexico have started to sell off important state boldings. A portion of the \$25 billion or so that fled Argentina in 1979-1982 is ready to return, attracted by the new positive environment as well as by rather high domestic interest rates. The return of flight capital will be the first clear sign that the Latin American economies are really on the mend.

> But the outlook is still nocertain. International economic expansion rests on fragile foundations, with a loss of dynamism combined with higher interest rates in the United States at least a possibility, despite forecasts to the contrary.

> Mexico needs a very large injection of funds to pay interest on its external debt in 1986, without counting additional needs if petroleum prices fall further. The revival growth without too much inflation continues to be an elusive goal. Commercial banks are getting "debt fatigue" and increasing numbers of them are unwilling to put up more new money for debtor countries.

Forumately, it has not been necessary to reschedule interest payments, an eventuality that could be expensive for the stockholders of major international banks and for the debtors themselves. If the world economy continues on a moderare upward course and cool heads prevail, less drastic remedies would be needed in order to continue forward.

M LEW THAT IN THE STATE OF THE Hanation of Symbols The state of the s

ST CURRENT YIELDS R having a conversion preming

of less than 10%.

# Swaps: The Making of an Unusual Market for Debt

By Nicholas D. Kristof

LOS ANGELES - One of the world's most unusual second-hand markets these days is for

Conducted largely in secret and regarded with some anxiety by the big New York banks, the market allows a bank or investor to purchase loans that banks want to be rid of. The debt sells at a discount, ranging, say, from 10 cents for each dollar of face value for Bolivian loss to about 70 cents on the dollar for the better-rated Mexican debt.

"It is growing each year, particularly as the Latin debt situation doesn't show signs of improvement," said Komal S. Sri-Kumar, a private consultant in New York on Latin American

The sellers are primarily small, regional banks in the United States and abroad, who are fed up with the modest sums of Third World debt on their books. Sometimes they sell them outright for cash; more often they swap them for debt with which they are more comfortable.

Because the deals are conducted in secret, no one has a clear idea of how many trades and sales occur. But by all accounts, business is growing quickly and volume is in the billions of dollars.

the secondary market each year. That is still a tion that their loans to Argentina, Brazil and small fraction of the roughly \$360 billion that Latin American nations owe to banks in the book value. Furthermore, small banks may be

**Debt Trading Prices** (per dollar of face value)

Argentina	70 to 73 cents
Brazil	78 to 82 cents
Bolivia	10 cents
Chile	65 to 70 cents
Mexico	70 cents
Nicaragua	10 cents
Venezuela	77 to 82 cents

still grappling with the implications of the second-hand debt market. Some herald the market as a way to ease the world's debt problems, by lowing banks holding Third World debt to reduce their exposure.

"It means that banks don't need to live with their mistakes," said Giacomo de Filippis, an investment banker in New York who pioneered

The World Bank has discussed the secondary market in that context and some academic economists have urged the International Monetary Fund and the Reagan administration to encourage the market by functioning as an intermediary. Others are less sanguine.

Mr. Sri-Kumar, in a recent study, estimated that S3 billion to \$4 billion of debt turns over in and swaps of loans could encourage the percepother countries are worth much less than their United States, Europe, Japan and elsewhere.

Economists, bankers and policy-makers are required in debt rescheduling packages, if it is

worth less than their face value.

The big banks also believe that the secondary market has relatively little to offer them, because they have far too much Latin debt to sell-

Ironically, while executives on the lending side of some big banks disdain the secondary market, executives in the trading divisions of the same banks are eager to enter the business because of the potential for big profits. For example, tensions reportedly have arisen at the United States' largest banking company, Citicorp, between executives involved in lending and those who have set up a group that arranges .

sales and swaps of debt by other institutions.

Price quotations for debt are unreliable because they change and because the market is small, particularly for outright sales. But they do give an indication of the creditworthiness of a country. For example, last summer, Mexican debt traded for 80 cents to 85 cents for each dollar of face value. Today, in the aftermath of the September earthquake and Mexico's financial difficulties because of falling prices of the oil it exports, Mexican debt sells for about 70 cents on the dollar.

Other recent price quotations include: Chile, 65 cents to 70 cents on the dollar; Venezuela, 77 cents to 82 cents; Argentina, 70 cents to 73 cents; Brazil, 78 cents to 82 cents; and Nicaragua and Bolivia, about 10 cents.

country will purchase its own government's have been particularly willing to sell Polish obvious that the new loans will instantly be loans, because these are already written down on their books and the bank does not need to record a loss to sell it. Poland is quoted at about 50 cents to 53 cents on the dollar, Romania at 75 cents to 80 cents, and Yugoslavia, 72 cents to 76 cents. Loans to the Philippines sell for about 63 cents to 67 cents on the dollar.

These prices do not mean, of course, that they. reflect the real value of the loans. Some banks will accept what they believe is an unnaturally low price for a small amount of debt simply so they can assure investors and depositors that they have no Latin American debt on their

"It's a distress marker, and I think it understates the value of debt," said William R. Cline, a fellow of the Institute for International Economics in Washington. "It's not a very meaningful market."

The big players in the market, in terms of arranging deals, include such major financial services companies as Shearson-Lehman Brothers, Drexel Burnham Lambert, Salomon Brothers, Bankers Trust and Bear Steams & Co. Some European financial institutions, such as Lazard Frères, are also involved

Some small investment banks have also spe-Some small investment banks have also spe-moreover, the governments of those countries cialized in the secondary-debt market. These have established incentives to encourage private

Although most of the trading involves Latin
American debt, more and more of it has spread
to Asian and East European loans. U.S. banks

Some banks will accept an unnaturally low price for a small amount of debt so they can secure investors that they have no Latin American

debt on their



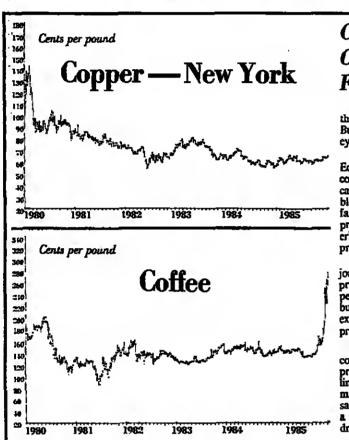
In the case of Brazilian and Chilean loans. cialized in the secondary-debt market. And include Giadefi Inc., which is run by Mr. de companies to buy up foreign neot. Demand Trust reportedly recently purchased a Chilean pension fund management company for \$40

debt: For example, a Chilean bank might buy \$10 million of Brazil's foreign debt, for about \$8 Chilean government debt from a Massachusetts million, and present it to the Brazilian central bank in exchange for \$10 million worth of

Brazilian currency.

Some private individuals have also been buying the most heavily discounted loans, such as those of Nicaragua or Bolivia, dealers say. Drexel Burnham Lambert reportedly has been particularly involved in such deals.

"It's taken a while for institutions to become aware of the market," said Stephen M. Cunmingham, who arranges deals for Bear Stearns. "We think it's going to continue to grow."



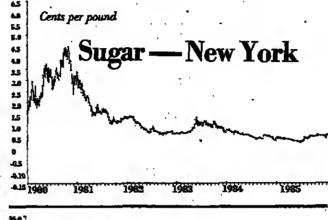
### Commodities: Oversupply and **Falling Prices**

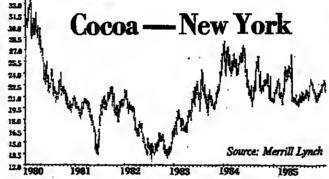
"THE MORE they produce, the more they depress prices. But because they need the money, they can't stop."

This view from a Chase Econometrics director on the commodities crisis confronting cartels, is particularly applicae to Latin America, where falling prices have left most producers in disarray and exacerbated the already severe debt problems of the region.

As inflation abates in the major industrialized nations, the sasprices of tim, sugar, cocoa, cop-per, wheat and coffee — the 235 bulk of most Latin American 226 exports - have all come under 25.5

Brazil and Colombia, major coffee producers, have kept prices at a reasonable level by imiting output. Bolivia estimates that revenue from tin 165 sales, which accounts for about a third of its exports, could be drastically reduced





# Debtor Countries Looking to a Political Solution

(Continued From Previous Page)

part alone to adjust will be sufficient since the situation cannot be allowed to continue," said the final declaration at Montevideo. The ministers proposed negotiations on a broad range of related issues, including interest-rate reduction, improvement in basic commodity prices, expanded access to the markets of industrial countries and an increase in development aid through the World Bank and the Inter-American Development Bank.

"If the proposed set of measures are not adopted, the region will enter an extremely serious situation that will necessarily oblige us to reduce the net transfer of resources to avoid greater political and social instability," they said.

This has been widely interpreted as a warning that a

moratorium on debt payments is a possibility if the creditors do not sit down with the debtors and begin negotiating. The private bankers who hold the region's debt of roughly \$360 billion deal with the problem in each debtor country with a loan rollover here, a patchwork of new loans there. and an overall sense of anxiety.

None of the publicized refinancing plans, such as those with Mexico and Argentina, are working well. Mexico has more inflation and less growth than was planned. Argentina

has less inflation but virtually no new investment. Political unrest led by labor unions is rising because President Raul Alfonsin has not produced an economic recovery.

Chile, the most anthoritarisn and economically "ortho-

dox" regime in the region, remains an economic cripple, due largely to to the collapse of prices for its main export, copper. The banks loaned Chile \$760 million in December so it could pay its \$2 billion in debt service this year. Economic

growth is limping at 2 percent a year.

President José Sarney, saddled with Brazil's \$100-billion debt, has not reached a refinancing agreement with the banks because he insists on a high growth policy that ignores the austerity recommendations of the International Monetary Fund.

So far, Brazil's economy under Mr. Sarney has responded with 7 percent growth in 1985. The country's large agricultural base and advanced industrial structure generated a \$12-billion trade surplus in 1985 for the second year run-

ning.
But the Brazilian economy needs new injections of capital now to keep up the growth based on a combination of exports and domestic demand. It also has to reduce inflation, which raised prices 233 percent in 1985.

While Brazil pays its \$11 billion in annual debt interest

punctually, some Latin American debtors, such as Peru and Bolivia, have failed to keep up even with interest payments. It is hard to see how these poor economies, heavily dependent on the price of basic commodities, which are at the lowest levels in years, can recover without a coordinated

Senator Edward M. Kennedy, Democrat of Massachusetts, during a trip to five South American countries in January, proposed something like a new version of the Alliance for Progress, the aid program created by the late President John F. Kennedy for Latin America but which was

abandoned by 1970. The emphasis of the Alliance for Progress was on social reforms, with financing going toward low-cost housing, schools, health services and rural modernization, such as water works. But the nature of the crisis now is more international, with the structure of the trade and financial relations between Latin America and the industrial West at

The crisis is too serious and the stakes are too high for either side to leave the problem up to the bankers," Kennedy said. "Governments themselves must be involved in ways that strengthen, not starve, democracy in the Ameri-

# The Small-Debtor Syndrome: **Higher Debt-Service Ratios**

By Richard Lapper

SAN JOSE, Costa Rica — "We're suffering from the small-debtor syndrome," said Ennio Rodriguez, Costa Rica's special adviser on external debt. Costa Rica's \$4.5-billion foreign debt may not cause

many bankers to lose sleep, but as Mr. Rodriguez said, "Whichever way you look at it, the small debtors have proportionately the highest debt service in the world, we face the toughest conditions and we have the least capacity to pay; the renegotiation of the debts of small intries excites little international interest."

As if to underline his point, a conference organized here in early December by Mr. Rodriguez and attended by leading government figures from nine small debtor countries — Guatemala, El Salvador, Panama. Costa Rica, Nicaragna, Honduras, Jamaica, Bolivia and the Dominican Republic - passed by largely unnoticed in the United States and Europe.

In a joint communique, the nine countries agreed that they face tougher renegotiations and harsher conditions simply because they lack the political muscle of countries like Brazil and Mexico.

On the whole, in the two rounds of debt renegotiation since 1982, these nine smaller debtors, whose total combined debt is less than a third of the Mexican debt, have been given shorter grace and repayment periods and have had to pay higher interest rates and commis-

According to evidence presented to the San José conference by a U.S. academic, John Williamson, the attitudes of the commercial banks are shared by the International Monetary Fund, which has been much tougher with smaller debtors and generally refused to make multiyear packages available to them.

As a result, whereas the debt-service ratios (the proportion of debt repayments measured against exports of goods and services) of the bigger countries are hovering around the 20-percent to 30-percent mark, for the smaller debtors it is frequently more than 50 percent. This undermines the potential economic recovery necessary for growth and solvency.

The smaller countries have limited capacity to generate domestic investment. In addition, their economies are dependent on a narrow band of export commodities, almost exchasively agricultural, whose prices, with the notable exception of coffee, have tended to decline relative to the prices of principal

imports, such as oil and capital goods.

Moreover, as Christin Bogdanowicz-Bindert, an economist, told the conference, the debt crisis of the smaller countries predates the 1982 Mexican crisis, underlining the more serious structural problems of the smaller countries. Costa Rica defaulted on its debt a full year before Mexico, and Jamaica and Nicarague both renegotiated their debts in the 1970s.

The debt-service burden in Central America is a key factor in Guatemala's economic crisis and, to a lesser

extent, in Panama's. Meanwhile, a formal default by Nicaragua, which has all but ceased payments on its \$4.5-billion debt, could be the death knell for the country's mixed economy and would probably angur a formal entry

into the socialist camp.

The 1986 debt-service bills vary. Nicaragna owes \$1.2 billion, including overdue payments, an amount equivalent to more than three times its projected. export revenues. Guatemala owes \$500 million, about reception. The third round of renegotiations was going

The Panamanian debt, the highest per-capita debt in the world, has grown abnormally because of the free convertibility to the dollar of the local currency, the balboa. This means the government has virtually no control over the local money supply and is entirely dependent on external indebtedness to meet deficits.

Meanwhile, the precarious economic recovery in El Salvador and Honduras, closely linked to the economic aid that they are receiving from the United States, is imperiled by the debt burden. On paper, El Salvador and Honduras have manageable debt services, largely because of the favorable repayment terms for the U.S. bilateral aid that forms a large part of recently acquired debt. Nevertheless, service payments still amount to around 20 percent of exports, a figure considered high 10 years ago, Mr. Bogdanowicz-Bin-

In Costa Rica, Central America's most successful stabilization program and economic turnaround is undermined by debt-service obligations. Next year, these obligations will amount to about \$470 million, half the anticipated export earnings — if the govern-ment that takes over following elections in February can renegotiate repayments successfully.

The irony is that the export-led growth favored by the international financial community could occur in the smaller countries, according to the president of Costa Rica's central bank, Eduardo Lizano.

He said: "From a trade point of view, small is beautiful; from a debt point of view, if is ugly. Whereas countries like Mexico and Brazil are registering massive trade surpluses but are still not able to grow. possibility. We could seriously expect to increase our exports by \$150 million, and that would have a serious economic impact. But on the debt question, we have no leverage at all and I just don't see how we can cope unless we can reduce interest payments."

Mr. Lizano said he hoped that "since the industris ized countries don't have all that much to lose with they may be prepared to entertain new ideas."

Among these ideas would be the possibility sympathetic governments - Mr. Lizano mention the Netherlands - buying Dutch banks' Costa Ric debt and releading the money at lower rates of int-

In the short term, Costa Rica and the other sma debtors will be pashing for extra funds from the commercial banks for development purposes. Mr Lizano is siming to obtain about \$100 million in fresh money this year. He acknowledged, however, that "it's going to be tough; the commercial banks just don't want to lend fresh money."

Costa Rica's progress will be indicative. Since 1982, it has been an exemplary debtor and not a partisan of debtors' cartel arrangements.

"We've respected our commitments, introduced ansterity and made sacrifices to keep within agreements; we've therefore a moral right to protest about the injustice in our treatment," President Luis Alberto Monge of Costa Rica told the conference,

But will the international financial community respect such integrity?
When Mr. Rodrignez visited Washington earlier this month to speak to Treasury Secretary James A. Baker 3d, his advisers were pessionistic about his

# Behind the Baker Plan: Trade — And the Kremlin

had to take market-oriented steps to make their economies more efficient. They were urged to strengthen private enterprise, improve in-vestment opportunities, reduce their swollen public sectors and cut

These were tough conditions for with the United States. countries where huge "para-sta-tals," as the state-owned enterprises are called, controlled vast industrial sectors and where foreign investment of previous years had left deep scars. Yet, so desperate was their plight commercial banks.

### CONTRIBUTORS

private investors state-owned hotel chains and some industrial hold-

ings. Brazil sold a portion of the

SUE BRANFORD, a business journalist based in São Panlo, contributes to The Times of London, South and the British Broad-

CLYDE H. FARNSWORTH is a New York Times correspondent

NICHOLAS D. KRISTOF is on the business news staff of The New York Times. PEDRO-PABLO KUCZYNSKI, co-chairman of First Boston In-

ternational and managing director of The First Boston Corporation, was minister for energy and mines in Peru from 1980-82. RICHARD LAPPER, a London-based journalist, specializes in

Central American and Caribbean affairs. MARCILIO MARQUEZ MOREIRA is a director and member of the board of Unibanco S.A. He is preparing a study of Brazilian debt for the Twentieth Century Fund.

JUAN de ONIS is a correspondent of the Los Angeles Times based

WILLIAM A. ORME JR, is a Journal of Commerce correspondent based in Mexico. He contributes regularly to The Washington Post.

that some countries started moving in this direction. Mexico sold off to banks had lent in the 1970s ended up as flight capital in Zurich and Miami bank accounts of rich Argentinians and others. The new

signed an investment treaty Still, Mr. Baker pledged that the money would be available. He went The conditions were politically tough as well for the United States, so far as to commit the U.S. adminwhere the administration could istration to ask Congress for a capicount on being pilloried in Con-gress for anything that resembled a tal increase for the World Bank to give this institution greater leverage bailout for imprudent lending of in the key role it was being given to foster Third World economie restructuring and growth.

Mr. Baker qualified the pledge by saying that only when the plan was working and the need for new World Bank funds became apparent would the administration ask Congress for the money.

sen, who steps down June 30. Just how any new request for funds for the World Bank will play out against the antomatic budget cuts forced by the so-called industrial cities. A weaker dollar

that the program is working, then I think we can sell the Congress."

Then, on the weekend of Jansaid James W. Conrow, deputy assistant secretary of the Treasury for Group of Five finance ministers, developing nations. "If the pro- Mr. Baker pressed his colleagues to gram isn't working," he added, "we work toward lower international are in the soup.'

emerged as an active rather than save countries like Brazil and Mexipassive player in the debt crisis. co nearly \$1 billion each.

With Latin America (in billions U.S. Dollars)

U.S. Trade Balance

1981 82 84 83 Source: U.S. Department of Commerce, October 1985.

Before the Seoul speech, on Sept. 22, Mr. Baker had worked out a plan with the finance ministers of the Group of Five - Britain, France, West Germany, Japan and This may not be until next year. the United States - that triggered At the moment, the administration a further slide in the value of the still has to decide on the man who dollar. The dollar is now about 25 will head the bank over the next percent below its highs of last Feb-five years, succeeding A.W. Clau-ruary and about 10 percent below the levels of Sept. 22.

This, too, was crucial to stopping Gramm-Rudman law to balance makes American goods more price the U.S. budget remains an open competitive. It also helps debtor countries because most of the esti-"If countries are willing to permated \$1 trillion of the internationform significant reforms opening al debt, two-thirds of which is held up their economies and showing by commercial banks, is denominated in dollars.

interest rates. A rate cut of one Thus, the United States has percentage point would annually

received. "It was like being in a driverless car and someone's hands suddenly appear on the wheel," said Robert D. Hormats, vice president of Goldman, Sachs.

The Baker plan was less a plan than a flexible approach toward the debt problem, with the emphasis on economic growth, not austerity. Mr. Baker has said repeatedly that he thinks there is "no alternative" to what be has proposed.

Initially, debtors found the approach good as far as it went but

said that they needed more help. Finance and foreign ministers of 11 Latin American countries met in Montevideo in late December and made several specific demands: a sharp decline in international interest rates, which the industrial countries now say they want, too; a boost in annual bank lending which is foreseen under the Baker plan; concessional terms in existing debt but a promise to pay market rates on new loans, and some linkage between interest payments and

minimum growth targets. But the tone was not confrontational, the demands were not ultimatums, there was little talk of a debtors' cartel. Even though some countries have set ceilings on interest payments, the Baker plan has set the framework of a continuing dialogue. There was encourage ment as well from the slight pickup in world economic growth.

"As a whole, countries with debt-servicing problems are now growing at about 4 percent a year, or nearly three-fourths the rate from 1967 through 1976," said William R. Rhodes, chairman of the restructuring committee of Citihank. "The overall situation is better than some have portrayed it to

### 50 percent of potential revenues. to be just as difficult as the first two.

(Continued From Previous Page) its IMF adjustment program in cal-

target for increases in revenue," according to a confidential report cir-culated widely in Mexico's business

community.

Stracter spending controls and a downturn in domestic interest rates might yet permit the government to achieve its 1986 deficit-reduction target, but "the budget gives no indication that such a structural change in private-sector finances is in progress," said the report, which was prepared by a private economic forecasting firm.

have sent more than \$20 billion in private capital abroad since 1980. In the first three quarters of 1985 alone, according to central bank reports, \$2.9 billion left the comtry, a figure that does not include the \$1 billion to \$2 billion believed

meeding any new money from us."

While Mexico is facing stiff resistance from private creditors, it is prove Mexico's post-earthquake reendar 1983.

"The 1986 budget is not credible, mercial lenders this year. Just two because it sets an overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." appropriate the sets and overambitious months after concluding a three-target for increases in revenue." The sets are overambitious months after concluding a three-target for increases in revenue." The sets are overambitious months after concluding a three-target for increases in revenue." year IMF loan agreement, Mexico is expected to sign a new accord nical grounds, but as a political with the agency in February giving it access to about \$800 million in Special Drawing Rights. The funds will complement the \$1.5 billion in loans Mexico is expected to receive in 1986 from other multilateral and government agencies.

Moreover, even the multilateral banks are tying more of their lending to "structural adjustments" in such key economic sectors as manmactured exports. The World Aside from budget cuts, the key Bank, especially, is quietly assumchange bankers say they want to ing the role of economic watchdog see in Mexico is a reversal of capital in Mexico paralleling that of the flight. By most estimates, Mexicans IMF, a change that Western bankers welcome as another facet of the Baker plan's servicing with growth prescription for Latin American debtors.

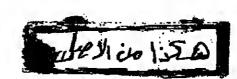
Yet, some bankers privately express concern about how far Mexico can be pushed. Domestic oppoby experts to have been lost last sition to Mr. de la Madrid's policy year through exchange-control of full and prompt debt payment, increasingly vocal since the Sep-"People talk about foreign in- tember earthquake, "has me very, back home. Mexico wouldn't be lars invested in Mexico."

Austerity: How Much Is Too Much? needed the postponement on techmatter we saw the danger to de la Madrid in sending money to foreign banks in the aftermath of a natural disaster," a New York banker said

When the earthquake demolished \$3 billion worth of schoolsis. hospitals, housing, offices and pubhic services, even conservative businessmen echoed leftist demands for better repayment terms.

Three weeks before the earthquake, Mexican finance officials were already hardening their public position on debt servicing. On Aug. 29, Finance Minister Silva Herzog gave a clear warning to Mexico's creditors as he signed what was said to be the largest single loan agreement in commercial banking history, the 14-year rescheduling of fully half of Mexico's \$96-billion

Emphasizing Mexico's need for further commercial financing, he noted that rescheduling agree-ments "are based on two funds"; vestment as Mexico's salvation, but very worned," a member of the ments "are based on two funds." Mexican investment would be steering committee of Mexico's mental principles: the total payquite good enough," a U.S. banker biggest private creditors said rement of interests and the flow of said, "If just a fraction of the Mexical County, "I'd be crazy if it didn't additional credit. If one of these can money in foreign banks came worry me. We have billions of dol- suppositions doesn't bold up, then





Signative of Brazille foreign delities banks in decimal of the Signature of Signatu Some private individual have also be the more heavy discounted long, there is a surround of Bolivia delegation of Bolivia delegations and the surrounding surround Section 2 of the second section of the second section of the second section of the second section sect managed and an arranged desire for Best "We that's the proof of continue to pay

# or Syndrome vice Ratios

The Processar and continue highest parage the world has grown a normally beauted. the local cane these. This means the government have the care the fact that the care there is apply and at שישים מישוב וליים ביים ביים ביים ביים מישוב Meanwhite, the present the economic terms the rest of the second and that they are receiving from the brinks question by the commence of the paper fly at Honorta have autograph con some FARES OF THE COLUMN TO THE PROPERTY OF THE PARTY OF THE P Mara and Mary Firm a state part of the ment to at not a content of choice of residence high a periodic ble British to Corp Rose Corps America non me Malana to the first of the control o ne opsignation of the rail of the sealing diabe attorner in a per time - figant that the court of courty removate & testeguitas, fora meno como dello. The gray and the control president e especies and the analysis in the pre-\$62 send. The manufactor of the sense September 19kg the in one from my AND NOTICE AND ADDRESS OF THE STREET, AND SHEET র <del>প্রেয়র</del>টি জান্তর সভি এলে একে কর্মার **রুমের্যর** sebility. We could until a styantame BOTH BURLD IN THE STREET MENTER OTTEN BUILT OF SERVICE tier trage and and an analysis the total less we can reduce that a promett. Mr. Laur Sand of Teath, Sandhe ಪ್ರಕಾರಣಗಳು ಸಂಪರ್ಧ ಸ the truly the property of a comment for the ASSETS THE THE PLANT OF THE PARTY repaired and or end - it has as a Netherland - to the Dath back Cost be seed release of the many lover uses an tree of the tree of the and the det More with the control tops of the control top of the control tops of the control top of the control tops of the control tops of the control tops of the control tops of the control top of the contro and to the least the tolking being Land Barrell has been an element of here and waster hior and oraquian

pe time to recommend the same Too VIIICH Service the outflow of debt-servicing capital by attracting fresh funds, Brazil hopes to resolve part of its financial problem through the NOTE OF THE PARTY OF THE PARTY

We've respect to the commercial the

nitral and Table 1 and 10 and miles

MILE TO A LAND TO THE PROPERTY OF THE PROPERTY

antiotes of glatizana. A" e mignigiera. A STREET There is not a The Water man a state of the The section is g that the fire Person Pica. M (And it to \*\*\*\* a April 18 gy water at

A SPECIAL REPORT ON LATIN AMERICA

# Brazil's Recovery Belies The Pessimistic Appraisals

RIO DE JANEIRO - The Brazilian economy is in the third year of a surprising recovery that has confounded critics of its high level of external debt.

The current performance of the world's largest developingcountry dehtor requires a reappraisal of how debt was used. In ponse to the first oil shock of response to the rust on show of 1974, Brazil opted for growth and structural changes in its economy through increased for-

### COMMENTARY

eign borrowing. Instead of pulling back on investment, it went deeper into debt.

The result has been a more diversified economy, resilient to adversity and competitive in international markets. The cost has been a high level of inflation and a serious lag in social invest-

The Brazilian experience, in both its strengths and weaknesses, should contribute to a necessary reassessment of some of the pessimistic assumptions and projections of many studies of the Third World debt problem.

What seems to be so imexpected in the recent performance of the Brazilian economy is, first, its capacity to transform a currentaccount deficit of more than \$16 billion in 1982, when the debt crisis began, into a surplus two years later. The underlying \$13billion trade surplus of 1984 was attained through a 23-percent increase in exports and a 10-percent drop in imports.

Second is the capacity of the economy to grow while debt servicing consumes more than 40 percent of export revenues and imports are sharply reduced. From 1980 to 1985, imports declined almost 50 percent while exports expanded 25 percent. Initially, there was a severe drop in gross national product, but by 1984, there was a solid 4.5-percent growth in production of goods and services. This recovery was ascribed by

many economists to the effects of the "orthodox" policies pursued after 1981, which were aimed at lowering internal demand by reducing real wages and devaluing the cruzeiro. The growth rate of 1984 was attributed to the consequent expansion of exports and higher agricultur-

But the rationale of export-led growth is insufficient to explain the recovery in 1985, a year when economic growth accelerated to more than 7 percent of GNP, one of the highest rates in the world. This stage of recovery took its impetus from the domestic market. Through restoration of real wages, consumer purchasing power expanded and coexisted with a continuing trade surplus and a further decline in imports.

Recent projections by private and public organizations in Braand abroad indicate that GNP growth rates of between 5 percent and 7 percent can be sustained throughout the 1980s without impairing the general level of trade balances large enough to pay for all, or at least the major part, of interest on the debt. This is provided that the

The writer is a director and member of the board of Unibanco S.A. He is preparing a study of Brazilian debt for the Twentieth Century Fund.

By Marcilio Marquez Moreira interest is kept within a reasonable range and economic activity in the developed countries does

oot drop below 2.5 percent. lf Brazil maintains high growth rates, this means that its net foreign debt of \$100 billion, which ceased to grow in nominal terms last year, will undergo a substantial contraction in real terms through 1990 compared with GNP, export volumes and overall loss from commercial

banks

The fundamental factors of Brazil's trade performance since 1983 grow out of the major investment programs launched in the mid-1970s, which are now becoming fully operational.

These concrete results confirm the diagnosis that sees the Brazilian response to the first oil shock as a bold effort to meet the crisis through a structural adjustment of the country's economic frame-

This strategy aimed at creating a modern and competitive econ-

Brazil appears to have the capacity through the end of the decade to generate substantial trade surpluses.'

omy by redirecting the growth process toward providing internal solutions. The country's energy matrix underwent a mutation, with investments that multiplied domestic petroleum production, sobstituted alcohol for gasoline and tapped huge hy-droelectric sources. The supply of crucial industrial products such as steel, heavy chemicals, pulp and nonferrous metals was greatly expanded.

The capital goods industry was consolidated and the economic infrastructure was radically modernized, as exemplified by a telecommunications revolu-

In general, the competitive, tradable portion of GNP expanded briskly, blarring the frontiers between export and import substitution sectors. In many cases, the new investments dislocated products from the import to the export side of the trade balance. It took time for the new invest-

ments to mature. There were errors in dimension and scope. The incidence of the second oil shock in 1979, accompanied by skyrocketing interest rates and plunging commodity prices, multiplied the cost of the programs beyond what could reasonably have been foreseen.

This increased burden was felt heavily in the early 1980s, a period of debt combined with recession, when the country lost more than 10 percent of its per-capita

Despite the challenges posed by unresolved problems, among which are inflation and the heavy social debt, the country's economic structure underwent a complete overhaul. The decisions of the 1970s, besides pre-

serving an infant political liberalization program, continued a modernization process that has transformed Brazil in the last 30

During this period, the economy, which had been predominantly agricultural, became industrial. It became increasingly complex and expanded at one of the highest sustained rates of growth in the world. Society was nrbanized and changed its occupational profile at a breathtaking pace. The population became more educated and more politically conscious, while life expectancy increased.

In this process of transformation, Brazil borrowed to invest (gross fixed capital formation averaged 30 perceot in the mid-1970s) and oot to consume; neither was debt incurred to purchase arms or to fund capital flight by its citizens.

The link between past debt and economic transformation provides a better understanding of the hreadth of opportunities that lie ahead for the Brazilian ecocomy if the so-called debt problem is placed in the broader context of financial flows that may be necessary to meet exchange or savings gaps that would otherwise constitute a bottleneck for development. It is of paramount importance

that international agencies, gov-eraments and commercial banks devise imaginative and efficient ways to recover their capacity to play a positive role in support of the future capital needs of developing countries, instead of remaining mesmerized by the problem of the accumulated past The debt problem, of course,

ires an urgent, fair and ratiolong-term solution, Amortization terms must be extended so that maturities match capacity to Spreads and fees must be reduced drastically. Monitoring provisions must be adjusted to the social and political realities of the borrowers, who must retain autonomy in deciding their economic and social priorities. New money should be provid-

ed whenever required to meet pressing needs. Debt agreements sbould also provide revision clauses to shield borrowers from wild gyrations in the main international economic indicators developed countries' growth, interest levels, the price of oil and other commodities, exchange rates and inflation.

But both lenders and borrowould include any solution to the deht problem in a broader strategy aiming at rethinking and restructuring the existing system of interwoven financial, trade, investment and technological

Brazil appears to have the capacity through the end of the decade to generate substantial trade surpluses, while sustaining a vigorous pace of economic activity. This reality does not re-duce the desirability of reaching a debt-restructuring agreement, giving its external sector more stability.

The circumstances described above show that neither Brazilians nor their creditors should spend all their energy in focusing on the problem of past deht. In-stead, the best of those energies should be reserved to seize, whenever timely, the opportunities for future credit that will support the task of economic de-velopment and social reform within redemocratized societies.





Agricultural experts and farmers study problems and view results in fields near Resquisa, Brazil.

# Prorural: A Lesson in Multilateral Lending

By Suc Branford

TIJUCAS DO SOL, BRAZIL -The tough "stabilization" programs imposed on Latin American debtor nations have produced results - but oot without cost. Gains in trade resulted from reduced imports rather than expanded exports; and while living standards improved over 1984 they still fall far below levels of the previous

However, banking on better terms of trade and wider access to the markets of industrialized nations, entrepreneurs from Mexico to Argentina are using multilateral lending to push ahead — and suc-ceed — with domestic development in the face of austerity.

The Prorural farmers' assistance program in underdeveloped Paraná state in Brazil has been one of the more successful rural-development projects financed by an international financial institution.

"For me, personally, Prorural has been my salvation," said An-tenor Batista da Rocha, president of the Association of Farmers of Tiiucas do Sul, an impoverished community in the state of Parana, southwest of São Paulo. "Until it brought us the health post in the village, I didn't have any peace. As one of the very few people with a car, I was always having to take people to the nearest hospital, which was 100 kilometers away." Mr. Autenor went on to describe

the progress being brought by Pror-ural, which is partly financed by the Inter-American Development Bank (IDB). "It's not just bealth care," be said. "We've got new roads, warchouses and, what to me is the most important thing of all, schools. Before Pronural, it was no use our working hard and producing a large surplus of rice or beans, because there was nowhere to store it and the roads were so bad that you often couldn't get it out to sell."

Mr. Antenor's association, which was set up in November 1983 at the suggestion of Prorural technicians, has 130 members. They all have small farms, no more than 10 hectares (25 acres) on average. Only five or six have tractors, the others plow with borses. They grow rice, corn, beans, oats, potatoes and soybeans. All are subsistence farmers, only selling on the market if they have a surplus.

Audalio Teixeira de Lima, a Prorural agronomist who provides the association with technical assistance, said the members were responding enthusiastically to the new opportunities. "Several months ago," be said, "we suggested that they buy fish tanks, so that

they could supplement their diet successful projects. Its total cost is providing varied assistance; rural been following closely the con-and sell another product on the \$176 million, of which the IDB is credit, technical aid, road construcmarket. We were a little hit cautious at first, as we thought that they might be suspicious of such a strange new idea. But the response has been fantastic."

providing \$80 million (\$50 million from the bank's own capital and \$30 million from the Brazilian fund in the bank) and the Parana state government the rest.

Propural is an integrated project.

A Brazilian girl gets fresh water from a Prorural village development project.

bealth centers. Its primary objectarisen. tive is to bring development to a buge, backward area where the average annual income is \$300. It hopes to benefit 50,000 small farmwhen so many other projects financed by international financial

institutions end in failure? The answer seems to be that Prorural has effectively combined a high level of out serious conflict. popular participation with dedicatpopular participation with dedicat-ed and efficient support from gov-ed in dollars in 1982 and the cruzeiernment officials. When Jose Richa became the state's governor in March 1983, the cial resources. The officials are, in

in conventional, paternalistic fash-targets. ion. Very few of the small farmers who were supposed to be its beneficiaries even knew of its existence. Mr. Richa decided to change

this. In the second half of 1983, state officials held a series of meetings in the districts that were to be back the loans, in dollars. It is alaffected. After explaining to the ready paying interest of 8.25 per-people what the project was at- cent a year on the loan of \$50 ers that, as resources were limited, priorities would have to be estabished: What did they want first in their district? The local people tional repayment difficulties in the made their choice, most putting future. It will be a big burden for a roads first, then health centers, relatively poor state. But officials then schools.

the beginning, the people have ed region will offset the cost.

tion, education, sanitation and action whenever a problem has

The project has had its share of problems. It should have been finished by April of this year, but the completion date has had to be postponed until Jan. 1, 1987. Under Why is Prorural succeeding financial pressure, the Parana state government had to reduce its counterpart funds from \$133 million to \$96 million. It was able to negocate this reduction with the IDB with-

ro has suffered heavy devaluations since then, there are ample finanproject had already been set up, but fact, managing to surpass original But will this satisfaction contin-

ue once the amortization of the loan begins? The state government has a grace

period of five and a half years. But then it will have to start paying tempting to do, they told the farm- million supplied from the IDB's capital. The same exchange factor that today means ample resources in local currency will create addifrom the state government say that Since they were involved from extra tax revenue from the benefit-

When you're doing business in a country the size of Brazil, it's important to have the help of someone who knows the terrain. Banco Nacional is on your side in every one of Brazil's 8.511.965 km² offering you the

experience of a bank operating for over 40 years in every financial market area.

NACIONAL

The Bank that's on your side

Benes Nacional S.A. - Head Office: Av. Bio Branco, 123-2 "andor - Bode Janeiro - RJ-20040- Telephone, 2?6-7722- Teleu: (021) 21265 - (021) 31840 - (021) 56179 - Answerback, 2131840 BNSA - BR. - New York New York Agency - Olympic Tower 645 Fifth Avenue - Lighthoor - New York, N.Y. - 10022 - Telephone (212) 935-6920 - Telex, WUI 668429 - ITT 424007 - RCA 238151 - Braide: Manni Agency - 1200 Bratisti Avenue - 9th Roor - Marm, Flandor - 23137 - Telephone (203) 372-201007374-8052 - Telex, TRT 153642 - WUI 6811415 - (TT 441074 - Landon: London Representative Office - Cuy Tower 8th Floor - 40 Bosinghall Street London EC2V SDE - Telephone (00441) 588-4128 - Telex-8956009 - Asumośnic Interbanco S.A. Head Office Calle 14 do Maryo, 339 - Asumośnic Telephone 94-99794-998 - Telex 372 PY - Nossau: Nassau Branch - Nassau, Baharnas

# In Brazil, the World Bank Is Not Without Critics

American countries seek ways to World Bank.

rianning Minister João Sayad said in December that over the next said in December that over the next 18 months Brazil would set up a series of projects with the bank that should bring in \$3.5 hillion from the institution, as well as \$200 min should bring in \$3.5 hillion from the institution, as well as \$800 million in a cofinancing program with commercial banks.

This hard currency is sorely needed in Brazil. Because of its excellent trade performance, with a surplus of \$13.1 billion in 1984 and

surptus of \$13.1 billion in 1984 and 112.4 billion in 1985, Brazil has been managing to pay the interest on its huge debt and build up its foreign reserves. It is this which is enabled. on its huge debt and build up its foreign reserves. It is this which is enabling the country to go its own way and to refuse to make an agreement with the International Money tary.

way and to refuse to make an agreement with the International Monetary Find for another austerity program.

But Brazil is paying a price for this independence. Almost all available public money is going into the servicing of its internal and experience. available public money is going into the servicing of its internal and foreign debts or into funding essential social programs. The World Bank financing would thus be doubly useful, in providing hard curtency for foreign debt servicing and resources for investment in urgently remainded. resources for investment in urgently required development projects.

Part of the money, \$400 million million in cofinancing, would go to the electricity sector, an area of the Brazilias.



A.W. Clausen, president of the World Bank, which has come under criticism recently in Brazil.

Brazil is already the World Bank's largest borrower, with contracts signed for about \$9.7 billion, slightly more than the 10-percent limit imposed by the bank on the share of funds available to one 60 percent to 65 percent to make up for the World Bank's heavy dis-

Aboul 60 percent of the total has been disbursed.

world Bank and \$800 million in cofinancing, would go to the electricity sector, an area of the Brazilian economy that is in desperate need of injections of capital.

Other logus might go to the steel shows that the World Bank imancing. These officials believe Brazil's experience shows that the World Bank of one of the government, particularly officials in the middle ranks of the Planning Ministry, are showing little enthusiasm for additional world bank imancing. These officials the electricity sector, an area of the Planning Ministry, are showing little enthusiasm for additional world bank imancing. These officials in the middle ranks of the Planning Ministry, are showing little enthusiasm for additional world bank imancing. These officials the electricity sector, an area of the Brazilian economy that is in despending to the electricity sector, and the electricity sector and the electric ing need for fresh money, some As a result, disbursements were sectors of the government, particularly officials in the middle ranks of less than half of the original target the disbursement of the \$3.4 billion the Planning Ministry, are showing of \$1.2 billion. As interest payit is owed in nondisbursed fur
fittle enthusiasm for additional ments were estimated at \$342 milfor projects already approved. World Bank financing. These officials believe Brazil's experience million, Brazil was probably left Brazil with the new money it reshows that the World Bank's mode with a net inflow of only \$250 mil- quires. sector, which is also hard pressed. of operations requires radical lion.

real contribution to development.

The first difficulty mentioned hy the Brazilian officials is operational. The bank sets up its projects with federal, state or municipal governments. It supplies about 35 percent to 40 percent of the cost, while the rest is provided by the local authority in counterpart fuods. The bank operates under a system of reimbursement in which the local authority makes the initial outlay and is then repaid. As the Brazilian government has

faced serious difficulties in coming up with the counterpart funds. The World Bank attempted to help in the early 1980s by setting up a Special Action Program so that it could disburse, ahead of schedule, its part of a financing program. Thus, it provided 55 percent or even 60 percent of the annual disbursements, while not altering its overall share in the total invest-

The relief was effective in the

short term, but now Brazil is paying the price, for it is having to contribtite even more than its customary bursements in the early years. These difficulties have led to delays However, despite Brazil's press- in almost all of the bank's projects.

cost of the financing. The interest rate charged by the World Bank, though fixed, accompanied the upward trend in the floating rates on the world market. As a result, the cost of the financing rose steeply in the early 1980s.

Brazilian officials point to a series of 10 loans, worth a total of \$1 billion, which were signed in late 1981 and early 1982, with an interest rate of 11.6 percent.

Today, these loans cost Brazil more than they would have if they been making an effort to cut the had been contracted at floating public deficit, local officials have rates. The officials also object to the commitment fee of 1.25 percent, which is charged on all funds yet to

be disbursed. At most, they say, this fee should be charged on the resources earmarked for disbursement in that

One official said the World Bank had lost its original development function and had become "one gigantic credit card company." But, if Brazil urgently requires new foreign resources, what alter-

native does it have to the World Bank? The officials recognize the dilemma, but have one radical proposal:

Brazil should screen all its current

World Bank projects, pushing

shead with only a very few.

it is owed in nondisbursed funds

-SUE BRANFORD



Take advantage of our special rates for new subscribers and we'll give you an extra month of Tribs **free** with a one-year subscription. Total savings: nearly 50% off the newsstand price in most European countries!

92521 Na Please ent	euilly Ce	dex, Fr Ibscrip	rance. tion fo	Tel.: (	ternational Herald Tribune, 181, avenue ( 46 37 93 61. Telex: 61 2832.  12 months 6 months (+ 1 month) (+ 2 weeks) free	and the Gaulle,  and a months  and a months
Please cha American	arge my:				Diners Club Eurocard Master  Diners Club Eurocard Master  Diners Club Eurocard Master  Master  All Control Con	cord Viso
Country Austria Belgium Dentrook Finland France Germany Great Britain Graste Netherlands Ireland Lucumbourg Narway Portugal Spain Sweden Sweden Sweden	reductory rule free reduced to did through / Currency / A. Sch.  8.Fr.  D.Kr.  F.M.  E.F.  D.M.  E. D.M.  E. D.R.  R.H.  Cire  Lift.  N.Kr.  Esc.  Plos.  S.Kr.  S.Fr.  S.Fr.	Norch 31, 1 1 year 4,020 4,020 9,020 1,930 1,410 1,200 462 101 15,600 550 115 276,000 9,020 1,430 13,800 21,200 432	986. 6mos. 2,170. 4,876. 1,040. 760. 644. 261. 258. 62. 149,040. 7,650. 7,650. 11,500. 7,650. 7,650. 233.	3mos. 1,1796 2,668 570 414 359 144 30 30 4,672 166 34 82,800 4,23 4,090 4,300 4,000	Card expiry date  Signature /  Name  Address  Cay  Country	
Rest of Europe, N Polynesia, Midde Rest of Africa, Co	Econt S	322	174	95 130	Yel Telex	27-1-86
V subscripti	Ve'ii be on accor	happy dingly	y to su	spend ill in th	ravel Frequently? delivery of the paper while you're award dates of any trips you have already plan	ay and extend your ined.

# Chicago Exchange Options Figures as of close of trading Friday.

A ALL DER STEEL EN ST

### Mutual Funds

# The Daily Source for International Investors,



As Investors

Ignore News

On Economy

By H.J. Maidenberg

New York Times Service

securities market has largely ig-noted recent economic news, deal-

U.S. CREDIT MARKETS

the latest money-supply figure,

Dealers said most retail huyers

moved to the sidelines after a brief

flurry of buying of Treasury bills early in the day. The buying was provoked by rumors on Chicago's financial futures markets, which

which was larger than expected.

higher on the day.

Treasury debt issues.

yield 9.16 percent.

percent a week earlier.

Possbook Savings

\$23.25 billion and total borrowings

billion in order to have a \$15-bil-

9%-percent bonds of 2006 rose

3/32, to 98, for a yield of 9.60

percent, and the benchmark long-

unchanged at 104 19/32 to yield 9.41 percent, compared with 9.44

U.S. Consumer Rates for Week Ended Jan. 24

NEW YORK - The Treasury

Issuer	Amount (millions)	Mat.	Coup.	Price	end week	Terms
FLOATING RATE	NOTES					
Belgium	\$400	1991	libor	100.05	99.95	Interest pagged to 6-month Eurodollar rate. Noncollable. Fees 0.175%. Denominations \$250,000. Registered.
First Interstate Bonking	\$ 60	1996	0.20	100	99.60	Over 6-month Libor. Noncollable. Redemption amount at maturity will be above par if the dollar/yen exchange rate is more than 169, and below par if the rate is less than 169. Fees 0.40%. Denominations \$10,000.
FIXED-COUPON						
Chrysler Financial	\$100	1990	10	100%	98.63	Noncollable. Also 100,000 8-year warrants, priced at \$25 each, exercisable into a nancollable 109% band at 1994. Warrants may be put back at \$17 from 1991 to 1994 and will be redeemed at \$25 at maturity if not exercised. They

						finished the week at \$33%. Fees 14%.
Crticorp	\$200	1996	10	100%	98.38	Collable at par in 1991, Feet 2%.
Crédit National	\$150	1993	914	100	_	Collected at 1011/2 at 1991, Feet 11/2%.
European Investment Bank	\$200	1996	191/2	99.70	_	Coupen paid every 2 years, Noncollable.
European Community	\$150	1991	8%	100%	97.88	Noncollable. Fees 13/5. Denominations \$10,000.
General Motors Acceptance Corp.	\$250	1991	8%	100%		Nancallable, Fees 17/1%.
Merrill Lynch	\$200	1989	9	100%	99.08	Noncollable. Fees 14%.
TRW'	\$100	1993	944	100	97.88	Collable at 101 in 1991. Fees 1 1/1/4.
Westpac Banking	\$100	1996	10	100%	98.63	Collable at 10115 in 1991. Also 200,000 warrants, exercises

					70.00	at par after 1991 and with host bond into a noncollable bo of 1996 paying 1116%. Warrante, priced at \$50 each, p annual internat of \$5 during the first five years and will i redeemed at \$50 at maturity if not assercised. They finish the week at \$55. Fees 2% Denominators \$10,000.
Vorld Bank	\$200	2016	9%	10114	99.00	Noncallable, Fees 2%%.
cisse Nationale des élécommunications	DM 200	1996	6¾	100	99.25	Collable at 102 in 1992. Fees 21/%.
uropean Investment	DM 300	1996	61/4	100	99.38	Noncofoble. Fees 1%%.

<b>Télécommunications</b>	5.11,255	.,,,	0.1		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Commo de 102 al 1772 Fees 277%
European Investment Bank	DM 300	1996	6%	100	99.38	Noncofable. Fees 13/%.
Ireland	DM 150	1996	6%	100	98.00	Noncollable private placement, Fees 2%.
Air Products Nederland	DF 100	1991	674	991/2	98.25	Noncollable private placement. Fees 11/1%.
Hunter Douglas	DF 50	1991	7	100	98.75	Noncellable private placement, Fees 11/%.
New South Wales Treasury	ECU 60	1993	8%	100%	98.63	Noncollable. Fees 1 1/1%,
Banco di Roma (Landon)	Aus\$ 40	1991	1414	100%	98.50	Noncalable. Fees 2%.
Bank of Nova Scotio	Aus\$ 50	1989	14%	1001/2	98.75	Noncoliable, Fees 11/3%,
DSL Bank	Aus\$ 40	1991	1414	100%	98.25	Noncolloble, Fees 2%.
Scandinavian Airline System	Aus\$ 50	1989	1414	100%	-	Noncostable. Fees 1%%.
Seneficial	¥ 10,000	1995	674	101		Noncolloble, Fees 2%,
Goodyear Tire & Rubber	Y 10,000	1996	6%	100	97.88	Collebie at 101 in 1991, Fees 2%.
Swedish Export Credit	Y 10,140.	1996	6%	102		Noncofable. Fees 2%.
Walt Disney Productions	Y10,000	1996	6%	1001/2	_	Noncoliuble, Fees 2%.
EQUITY-LINKED						
Grace (W.R.) & Co.	\$250	2001	7	100	-	Redeemable at 115.25 in 1991 to yield 9.52%. Convertible at \$63%, a 19.6% premium. Fees 24%. Denominations \$10,000.

QUITY-LINKED						
Proce (W.R.) & Co.	\$250	2001	7	100		Redeemable at 115.25 in 1991 to yield 9.52%. Convertible at \$63%, a 19.6% premum. Fee: 2½%. Denominations \$10,000.
litsubishi Heavy Idustries	\$250	1991	open	100	101.00	Coupon indicated at 492%, Noncollable, Each \$5,000 band with one warrant exercisable into company's shares at an expected 294% premium. Fees 294%, Terms to be set Jan. 30.
	6100	1001	11/	100	110.00	

Sumitomo .		\$120	1991	4%	100	113.00	Noncellable. Each band with warrants exercisable into company's shares at 788 yen per share and at 203.90 yen per dollar, increased from \$100 million. Fees 24%.
Tateho Chemical Industries		\$30	1991	43%	100		Noncafable, Each \$5,000 band with one warrant exercisable into company's shares at 2,686 yen per share and at 203,70 yen per dallar. Fees 24%.

Industries · ·					1990. Convertible of on expected 5% premium, Fees 24%. Terms to be set Jon. 31
Pinelli Deutschlond Int'i Finance	DM 100	1993	314	100	103.00 Noncollable. Each 5,000-mork band with 2 warrants each exercisable into 680 Pirelli SpA shares at an expected 5% premium or into 8 Pirelli SIP BPCs at no premium. Fees 24%. Terms to be set Jan. 29.

DM 200 1992 open 100

			_					Tenns to be set Jan. 29.	
SBC Finance	:		DM 200	1996	2%	100	-	Noncoliable. Each 5,000-mark band with eight 5-year war- rants, each exercisable into one of company's BPCs. Fees 29%. Terms to be set Jan. 28.	
Kubota	•	•	y 20,000	1991	3	100	_	Noncallable. Each bond with one warrant exercisable into company's shares at 367 yen per share. Fees 21/1%,	

Den Norske Creditbank	0.10	1989	_	-	\$17%	Warrants exercisable into a 91/1% noncollable bond due 1996, Issue price and fees not disclosed.
Dutch State Mines	0.15	1991	\$314	\$35	\$36	Warrants exercisable after 1988 into a 10%% nancallable band due 1991. Interest paid during first 2 years only. Fees 1%%.

						1%%
Nederlandse Gasunie	0.075	1991	\$21/2	<b>\$2</b> 5	\$42	Warrants exercisable at par ofter 1988 into an 11% nancall ble band due 1991. Interest paid during first 2 years and Fees 1856.

Nederlandse Gosunie	0.075	1991	\$21/2	<b>\$2</b> 5	\$42	Warrants exercisable at per ofter 1988 into an 11% nanculi ble band due 1991. Interest paid during first 2 years on Fees 15%.

percent paper maturing in 1991. Issued at \$35 and carrying a divi-

Mitsubishi Heavy

WADDANTE

ue to traders.

buy 9%-percent bonds maturing in 1996. The warrants were being quoted at \$17.50-\$19. usoted at \$17.50-\$19.

Despite the activity for warrants, trading at 99.15-99.45; afterward it dollar market, where annual con-

than annually, as is standard in the.

That works out to 9.6 percent per year as the paper is offered at a discount of 99.70. Because the EIB gets to delay paying the coupon it late last year bearing a coupon of estimates its cost of money at 9% percent. The non-callable roughly 10 basis points over Treabonds have become a favorite trading vehicle for dealers, as the paper EIB, which normally would pay a

1985 470 6.52

1994 9,44 1,53 1,53 2,76 3,42

million will add liquidity to this that the structure would give some sharp drop in value of the Austra-beliwether issue, enhancing its val- kind of tax advantage to investors lian dollar. A National Bank

New Zealand dollars, are no longer doing so. The Austrian National Bank has asked the banks in its jurisdiction to not actively sell bonds denominated in what it calls "exotic" currencies and if they do

1985 1440. 44.5 0.37 1985 5440. • 72.0 0.67

Company Results

spokesman said that it was feared that investors "did not realize the high coupon rate may be eaten by losses on the exchange rate."

The undersigned aunounces that as from 30th January 1986 at Kas-Associatie N.V., Spuisiraat 172, Amsterdam, div.cp.am. 47 of the CDRs Kerox Corporation, each repr. 1 share will be payable with DBs. 1,78 net (div. per record-date 12.06.1985; gross \$-,75 p.sh.] after deduction of 18% 1534-tax = \$-,1125 = DGs. -,311 ner CDR. Bankers said demand for such paper is still coming from the Benehix countries, West Germany and Switzerland.

prices on U.S. bank-issued paper were pushed lower by BankAmerilatest quarterly loss and the than any other group. But that advantage disappeared with the weakening of the banks.

According to Salomon Brothers, U.S. bank issues last week were trading at 17 basis points over the London interbank offered rate compared to a low in the previous 12 months of 51/2 basis points. By contrast, issues by British and Jap-anese banks ended the week trad-

Government-issued FRNs endto point out the currency risks.

The move was motivated by last points over Libor compared to an

### PARIS - The recent capitaladequacy measures proposed by the Federal Reserve Board, aimed

show no signs of baving any effect on the international credit market. sures would put a cost on the off-

By Carl Gewirtz International Herald Tribune

### INTERNATIONAL CREDIT

balance-sheet underwriting of Eur-The data include a 4.2-percent onotes facilities - as the Bank of jump in December durable goods England has already done and as orders and a \$6.8-billion drop in other central banks are studying.

But bankers active in the market say their institutions already have their own prudential measures against capital. In any event, the renegotiation of

the terms on Sweden's \$4-billion Prices of Treasury securities multi-option credit facility and the terms on Thailand's new \$500-milwere narrowly mixed in light trading Friday, with short-term rates lion facility indicate no hardening slightly lower and the yields on the in terms and conditions for top longer-term maturities moderately

The size of the Swedish facility is last week's offering, managers said, to be cut in half. To date, it has never had outstanding more than

The banks accepting the new never had outstanding more than The banks accepting the new \$1.5 billion worth of short-term terms will be paid a renegotiation

# Bonds Mixed Institutions Show No Reaction to Fed Proposals

Reflecting the change in market

maining on the original life. The fee Sweden will pay if it draws against the facility has also

been reduced. The minimum charge is now 10 basis points over the London interbank offered rate, instead of 121/2, and rises to 20 basis points if more than half the amount is drawn and to 25 basis points if more than 75 percent is used.

At present, these terms are academic. Sweden last week put up \$200 million of short-term notes for sale and bids ranged from 51/2 to 50. 10 basis points below the London interbank bid rate. The bid rate is 121/2 basis points below the offered rate. The weighted average cost on

# notes and currently has outstand-ing only \$1.1 billion. Thus, paying those underwriting \$70 million to 1 draw starts at ½ point over Liber, banks an annual fee to keep \$4 basis point for underwriting \$15 This rises by 5 basis points if more

billion available seemed excessive. million or less. Three technical changes in the at inhibiting some of the riskier conditions since the facility was ar-business U.S. banks undertake, ranged in mid-1984, the annual fee noting. If Sweden wants to draw, it

of 121/2 basis points (.125 percent) is must notify the tender panel of also to be cut, to 5 basis points for banks who then submit bids. Now, Among other things, the mea- the first 5 years and to 61/2 basis however, members of the tender points for the final 31/2 years re- panel need not wait for a request for terms from Sweden but can bid for paper directly by submitting their own proposals in function of the demand from their own investor elients.

When Sweden does request terms, the notice period will be shortened to half a day from the previous seven days.

In addition, instead of issuing only notes denominated in U.S. dollars, Sweden can issue paper in whatever currency it is legal to do

Thailand's \$500-million facility cial paper is rated A1-plus, is guarwill run for 10 years and will re-place two credit lines arranged in Turin-based Isuiuto Bancario nual commitment fee of 25 basis were in cost % point over Libor. commerce
The annual fee is now being cut deposit.

than one-third is drawn and by 10

basis points if more than two-thirds is used. Front-end fees range up to 71/2 basis points on an underwriting of

\$25 million and 15 basis points on the final allotment. Thailand can issue notes or seek advances from banks in any currency and drawings under the revolving credit can be based on Libor, treasury bills or any other reference rate that borrower and

lender agree upon. In the commercial-paper market. where banks operate under a bestefforts basis to place customer pa-per but are under no obligation to take it themselves, Aspro-Nicholas Holdings Inc. has announced a one-year program to sell up to \$150 million. Sarah Lee Corp., the par-ent company whose U.S. commer-

1983 and 1984. It is paying an annual commitment fee of 25 basis million or its equivalent in Europepoints on those lines; drawings an currency units in the form of commercial paper or certificates of

# later proved baseless, that the Federal Reserve planned in cui its discount rate. Analysts Say Dollar Is Near Its Low, Predict a Rise count rate.

to rest, the market quieted down and pressure is unlikely in be European Finance Ministers' Analysis said that the problem that has grown accustomed to the and began focusing on the Trea-checked to any great extent by cen-Council, which reviewed the G-5 now facing the G-5 partnership was stimulus of massive deficit spendsury's midquarter refunding, the trail bank action as export indus- discussions, said the noncommittal how to drive the dollar lower, determs of which are expected to be tries in Europe and Japan begin to tenor of the G-5 communique fair-fusing trade tensions, while offsetannounced Wednesday," said El- feel the pinch of the dollar's de-

liot Platt, director of government securities research at Donaldson, Lufkin & Jenrette. "The market ignored most economic news." head of his own economic consult-One news item that was not ignored, dealers said, was the sharp drop in the dollar after Nobou Takeshita, Japan's finance minister, said a stronger yen would be acceptable. If yen-denominated secu-

According to some analyses, as rities react positively, several dealers said, Japanese investors might reduce their purchases of U.S. But Mr. Platt said the Treasury would not increase its borrowings this quarter. "In fact, we expect the because of the strong dollar. West German industry figures, Treasury's next refunding to total

for example, show that six of every for the quarter to be about \$36 10 cars built there last year, or 61.8 percent of the total, were exported. lion cash balance by March 31," be The figure was about 55 percent for

In late trading in the secondary According to Mr. Shilling and market, the discount rate on the current Treasury 90-day bills fell two basis points, to 6.96 percent. Among the intermediate-term

or 2.40 DM, their current levels, Treasury coupon issues, the new "The Japanese are really starting 81/4-percent notes of 1988 rose to feel the heat" from a stronger 3/32, to 100 3/32, to yield 8.09 yen, said J. Paul Horne, Parispercent; the 914-percent notes of 1991 5/32, to 101 23/32, to yield 8.69 percent, and the 9.5-percent notes of 1995 8/32, to 100 4/32, to At the longer-term end, the new keep the yen up. Their exporters

are acreaming now coming from the United States alone. And, they say, Washington Group of Five, held in London on Jan. 18-19.

At that meeting, finance ministers of the G-5 partners agreed only said, many pending trade bills that they should "continue cooper- could wind up as law. that they should "continue cooperating" and that the dollar decline achieved so far should not "be re-

Onno Ruding, the Dutch finance said Mr. deVries. "They are mis- icit in each of the next five years, an

ADVERTISEMENT

XEROX CORPORATION

(CDRs)

Olis, 431) per CDR.
Div.cpu. belonging to non-residents of The
Netherlands will be paid after deduction of an
additional 15% USA-tax (= \$ ,1125 =
Dils. -,31) with Dils. 1,47 net.

**ADVERTISEMENT** 

THE NOMURA SECURITIES CO., LTD.

(CDRs)

meterdam, 16th January, 1986.

AMSTERDAM DEPOSITARY COMPANY N.V.

ly represented Europe's attitude to-

"Td be genuinely surprised to see more policy action to push the dollar lower," said A. Gary Shilling, that the dollar has done its duty" since the September agreement, ing firm in New York. "The zeal Mr. Ruding told Renters. "I do not just isn't there; Japan and Europe expect a further major drop in the

In belping to push the dollar lowtemporarily defused the primary much as half of recent West Ger- reason for entering into the agreeman and Japanese economic ment, a growing wave of protecgrowth can be attributed to exports tionist sentiment in the U.S. Con-U.S. exporters on world markets mounting unemployment in American manufacturing.

The United States posted a record merchandise-trade deficit of \$150 billion last year, nearly \$50 billion of which was with Japan.

U.S. trade figures are not expected to reflect the benefits of a weaker dollar until the second half of other economists, figures like these this year because of the time it clearly demonstrate why Japan and takes for currency adjustments to controlled dollar fall that would west Germany cannot tolerate a work their way through the econorekindle U.S. inflation, would not dollar much weaker than 200 yen my. But the promise of such imput to the controlled dollar fall that would rekindle U.S. inflation, would not cut its benchmark discount rate provement has gone far toward defusing protectionist sentiment in Congress, analysts said.

At the time of the original agreebased international economist for ment, analysts said, about 300 Smith Barney, Harris Upham. trade bills with protectionist fea-"The government is under a lot of tures were pending in Congress, pressure from Japanese industry to most of which were aimed at Japan. "Let's face it, the original G-5

accord was really G-2 with three Thus, despite widespread aca- European observers," Mr. Shilling demic agreement that the dollar said. "It was for all intents and too hard to rein in inflation to risk a said that "despite all the talk, Japaterm bond, the 9% of 2015, was remains overvalued by as much as purposes a bilateral agreement be-renewal of inflationary pressures nese fiscal policy is likely to be 25 percent, analysts agree that the tween Japan and the U.S. to try and that a precipitous dollar decline main impetus for a lower dollar is get rid of the huge trade embarrass- would ignite." be said. ment between them."

apparently won far less than it vert to the status quo, economists anyone at the Fed has even consid-wanted at the last meeting of the say, is that it will lead to a resur-ered such a cut."

deficit a cornerstone of his three-year administration. gence of protectionist sentiment.

Analysts said that another factor Without at least the promise of relief from a weaker dollar, they could lead to a lower dollar was the Germany this year, he said, "Bonn

"Everyone assumes that because the dollar has moved in the right direction, protectionism is dead."

Printed in Spanish

Reaches the Latin

American elite

200,000 rate base

 93% subscription sales circulation-

continuity of

than Time L.A.

& Newsweek L.A.

Regional Editions

· Ads expertly translated-free

readarship

of charga

ABC Audited

Europe.

One option would be to reduce U.S. interest rates, pushing the dollar lower by reducing the attractive interest-rate differential on dollardenominated investments. Despite the general decline in

U.S. interest rates since year-end, the differential on comparable U.S. er, the G-5 partners have at least and West German bonds stood recently at more than 200 basis points, or 2 percentage points.

Phillips & Drew, the London stockhistorically low. In the second half, I see it as likely to widen as U.S. economie performance picks up."

But economists said that the prospects for a broad reduction in U.S. rates were virtually nil. They said that the Federal Reserve Board, for fear of triggering an un-controlled dollar fall that would signs of improvement and the currency was trading in its present

"One thing the Fed does not want is a disorderly decline in the economies, economists said they dollar," said David M. Jones, an have seen little or no evidence that economist at Aubrey G. Lanston & they are doing so. These pledges Co. in New York.

The Fed's chairman, Paul A, ber G-5 accord. Volcker, "has worked too long and Mr. Brown, of Phillips & Drew,

Mr. Shultz, the former Fed vice The danger in now trying to re- chairman, said: "I don't believe tion of a gaping national budget

that requires the U.S. budget to be brought into balance by 1991.

The law requires a \$36-billion reduction in the federal budget def-

Things will get critical when Gramm-Rudman starts to take ef-fect," said Morgan's Mr. deVries. The Fed will have no option but to lower rates, because the economy will be in intensive care." But many economists increasing-

ly believe that the balanced budget law ultimately will be ruled unconstitutional an issue that is now before the U.S. Supreme Court. In such a climate of uncertainty, they said, the Fed is unlikely to

make any policy moves until it has "That bond-yield differential a better picture of what stimulus will remain the key to the dollar's the economy will or will not receive to the United States and to the two gress spawned by record tone," says Brendan Brown, inter-countries' ability to underprice merchandise-trade deficits and national currency economist for With U.S. policy initiatives effectively ruled out for the foreseebrokerage. "At the moment, it's able future, analysts said that it was up to U.S. trading partners, especially Japan, to stimulate their own

> rates and other fiscal policies. This has been a central tenet of Reagan administration theology since 1980. Such moves would make the dollar a relatively less attractive investment to foreigners, expand home markets for their own goods

> economies through lower interest

while the economy was showing and create markets for U.S. exports, helping to cut the U.S. trade deficit. Despite past pledges from West Germany and Japan to reflate their

were a cornerstone of the Septem-

tighter than ever this year. He said that Prime Minister Yasuhiro Nakasone had made reduc-

Gramm-Rudman act, legislation is likely to leave fiscal policy broadly unchanged."

Mr. deVries also holds out little hope for fundamental changes this year in the economies of Japan and

# Sale of Options for Fixed-Coupon Eurobonds Becomes Fad

(Continued from Page 7)

Den Norske appears to be selling naked warrants, not backed by any sury paper. That was better pricing existing call features. Its 100,000 for the World Bank than on the three-year warrants can be used to original issue, which came to mar- in the income being taxed at a low-

Trom Circorp (10s of 1996), the European Investment Bank of Nova Scotia, Scandinavian Alline for the European Investment Bank of 1991), General Motors Acceptance Corp. (8%s of 1991) and TRW (9%s of 1993) traded at discounts of 2½ percent to 2½ percent from their offering price and wall and their offering price and wall results of the second of the se the bonds currently on offer. Issues from Ciricorp (10s of 1996), the percent to 2½ percent from their offering price and well outside the

as paid to underwriters. market. The World Bank was an exception. It announced that it was tag-ging \$200 million on to its \$300 million of 30-year bonds floated which normally would pay a spread of 25 basis points.

Officials at Nikko Securities, the lead manager said the securities, the

101.00 Semiconnuol coupon indicated at 295%. Collable at 101 in

in Japan. dend during the first two years of \$3.25, the warrants ended the week at \$36-\$38.

The new portion was priced at The only other limited appeal of this structure, bankers said, should percent commissions, yielded 20 be to investors who are preparing The only other limited appeal of basis points more than the Trea- to retire and move from a high tax bracket to a lower one. Delaying receipt of the interest would result

Reference to such high coupons

Worth noting is the fact that Austrian banks, formerly active participants in marketing bonds denominated in Australian and

6.65 %

In the floating rate note market,

omission of its dividend. Three years ago, U.S. bank-issued notes traded about 30 basis points more

ing at about 8½ basis points over

ed the week trading at 8.8 basis The U.S. Treasury's 30-year issue in Officials at Nikko Securities, the year's collapse in prices in the Ausaverage of 11 basis points for bank-New York. The additional \$200 lead manager, said they assumed trainin dollar market following the issued notes.

Tiger Int'i

Transemerica

1985 1,560. 42.30 0.60

1985 4,570, 145,80 2,15

4th Quar. 1985 Revenue 313.9 Oper Net (0)4.92 Per Share.

that the original shares from 2% free distribu-tion have been reveived.

As from 28th January, 1986 one new CDR The Nomura Securities Co., Ltd. repr. 1.000 shs. cum epans. 35 acca. and after will be available at Kan-Associatie N.V., Amsterdam against delivery of 500 div.epa.no. 33 of CDRs The Nomura Se-curities Co., Ltd., a 100 shs. or 50 div.epa.no. 33 of CDRs The Nomura Se-curities Co., Ltd. repr. 1.000 shs. or combi-nations bered. After 28th February, 1986 the separatent of the CDRs, which have not been claimed in the holders of distribution of spenses, will be held in cash at the dispract of said holders. Further the undersigned announces that as from

will be held in cast at the deposition scan notates. Further the undersigned amounts that as from 28th January, 1986 at Ka-Assorutie A., Sanstead 172, Amsterdam, divergano, 34 tarresponds by an "Affidatia") of the CDRs The Nomura Securities Co., Ltd. will be payable with Dffs. 9,39 not per CDR, repr. 180 sha, and with Dffs. 93,90 not per 1984 1,210. 44,2 2,05 100 ans. and with Disc. 93,90 net per CDR, repr. 1.000 shs. jdn. per record-dat-30,9 1985 pross Yen 8, p.sh.; after deduction of 15% Isjamere ta = Yen 120. = Dis. 1,65 per 128, nepr. 103 dec. Yen 1.200. = 10s. 1650 a: loss, hiets exhale lasses of \$10.5 million vs \$120.4 million in quarters and of \$10.5 mil-ion vs \$131.1 million in years. ILR, ayr. 100 abs. Ven 1200. — 10ts. 1650 [av.1108. repr. 1.000 abs. Without an Allidavi 2074 Japtax — Ven 1600. — 10ts. 221 per 1208. repr. 1.000 das. Will only be deducted. After 30.4.1986 the dn. will only be paid under deduction of 2076 Japtax with resp. 10ts. 8832 10ts. 88,30 net per 1208 repr. resp. 100 and 1,000 das. each, in avendance with the language to represent the language as the second to the period of the contraction of 2076 Japtax with resp. 10ts. 10th and 1,000 das. each, in avendance with the language for regulation. 1984 1,410 50,19 0,77

AMSTERDAM DEPOSITARY

**CELEBRATING 35 YEARS OF SUCCESS** 

# LATIN AMERICA'S LEADING NEWS/BUSINESS MAGAZINE



with timely advice about the area Merchandising services

 Prestigious columnists— Complata news analysis Acclaimed by top Latin

American leaders 24 issues a year

REPRESENTATIVES: Lower effective CPM's

Amsterdam 2153-12042
 Dusseldorf (211) 57-30-26

● Pans (1) 45 00 66 08 ● Milan (2) 8360641 Madrid (1) 456-2778
 London (1) 584-8588/8588 Zunch (1) 720-73-73
 Tokyo (3) 483-2441

Seoul 779-1538/9

13 East 75th Street, New York, NY 10021 (212-744-9130)







rce for vestors

PERMIT

Co:4 T.

.

5 1 44

7-1

erandi. San Ali

. ^

6 c 4 14

2 (14) 28 (25) 3 (4) 4 (4) 4 (4) 4 (4) 4 (4) 4 (4)

1.28 1.5 1.00 1.7 2.57e 5.6 80 11.1 1.0e 11.1 1.0e

CORRESSENTING CONTROL OF CONTROL 1.16 22 1.40 77 2.00 15.1 1.70 11.3 1.40 14.0 2.16 15.1 1.40 2.2 1.40 2.2 1.40 4.2 1.40 4.4 2.40 4.40 4.4 2.40 4.40 4.4 2.40 4.40 4.4 2.40 4.4 2.40 4.4 2.40 4.4 2.40 4.4 2.40 4.40 4.4 2.40 4.4

.14 1.9
20 1.4
54 1.9
1.72 4.4
2.00 2.1
2.0 2.1
2.0 2.1
5.0 2.1
5.0 2.1

Photos by: Bischof, Burri, Capa, Cartier-Bresson, Erwitt, Hass, and other Magnum photographers. From the archives of Magnum Photos, a photographic record of Europe in the immediate postwar years — striking images of a continent shaking off the debris of destruction and coming to life.

Mary Blume, the International Herald Tribune's distinguished Mary Blume, the International Herald Tribune's distinguished feature journalist, sets the postwar scene and interviews many of the photographers in her introduction. The I.H.T. is pleased to present this unique volume that captures a decisive epoch and commemorates the work of some of the 20th century's master photojournalists.

Here you'll find some of the most famous images and faces of our time. Once you open its pages, you will want to spend hours poring over this magnificently produced collection. Truly this is a book to treasure for yourself, and a beautiful gift as well.

Available from the International Herald Tribune. Order today. Hardcover,

AFTER THE WAR WAS OVER International Herald Tribune, Book Division.

Please check method of payment: Enclosed is my payment (in any convertible European currency at current exchange rates). Please charge to DAccess QVisa DAmex

181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.

my credit card. DEurocard Diners DMassercard Card No. . Signature (necessar) for credit card purchases)

Please send me\_\_\_\_\_copies of After The War Was Over at U.S. \$39.50 each, plus postage: \$4.00 each in Europe; \$12.00 each outside Europe.

200 pages,

168 duotone illustrations, 32x26cm (12.5x10.25in.)

Herald Eribune.

Treasury Bills

Figures as at clase of trading Friday

Krediethx Indices

I Bose 100 Mov 1, 1977)
Industriels, US 5 L.T.
Int'l Institutions US 5 L.T.
US 5 medium term

Guilders
FF short term
FF Lux
InfT Inst, F Lux medium term
F Lux medium term
Inst, Yes long term
ECU short term
ECU long term

Soviet Oil Output in '85

628 million tons, Tass news agency has reported, quoting the Central

Analysts had forecast a lower

Statistical Office.

**Better Than Forecast** 

# **NASDAO** National Market

- 5

41.

(Continued from Page 14) .72 3.2 .16 .9 J6 14

Last Week's **AMEX** 

**AMEX Sales** Total for week
Week ago
Year ago
Jan 1 to date
1995 to date
AMERICAN BONDS =
Total for week
Year ago

Outlan & ortoe Colls

Aeftrio 25% Proc Corb 25% Proc

A CONTRACTOR OF THE CONTRACTOR

1140

11.

A STATE OF THE STA

Pets

ていからからからながらい。 1995年のからからできないできないできないが、 1995年のようなはないのではないできないできないできないできない。 1995年の199

27.5

592 May 916 596 3 11-96 13-96 13-96 13-96 17-16 396 21/2 396 17-16 396 17-16 396 17-16 396 17-16 396 17-16 396 17-16 396 17-16 396 17-16 1

17-16 9-14 15-16 15-16 1046 510 27-16

15-10 592 264 15-16

7-14-7-7-7-14-14-7-14-7-14-7-7-14-7-7-14-14-14-7-14-7-14-14-7-14-14-7-14-14-7-14-14-7-14-7-14-14-7-14-14-7

13½ + 36 13½ + 36 13½ + 36 14½ + 16 16½ + 16 16½ - 16 15½ - 16 15½ - 16 15½ + 16 15½ + 16

AMEX Dlaries This Will Lost Mile はこれのない

908 1082 212 222 272 278 55 NYSE Sales **American Exchange Options** 

Comments

Apply
Apply
Conserting

Apply
Ap

Ahmon
Soh
Soh
Amon
Almon

figure than the actual output of 595 million tons given Saturday by Tass. An extrapolation of official figures for the first nine months of 1985 suggested a shortfall of 36 million tons for the year. Dotton & price Calls Puts

Last Week's

**NYSE Most Actives** 

1974 3774 2174 143 777 474 474 474 474 474 12 43% 22% 13% 13% 15% 15% 27% 15%

NYSE Diaries

前日の日本の日本の日本の日本 

14 13 12 7 5th - 14 14 4 - - - 4 \$55 50 55 45 70 10 to 10 Bill The Total The State of The History of the control of the contro 144 344 554 1-16 9-16 1-16 9-16 13-1 15-16-17-16-

7-14 449 382 194 936 15-14 15-14

Puts

Agree on Replacement

Of Pan Am

New York Times Service WASHINGTON - The United States and Japan have agreed that United Airlines could replace Pan American World Airways on trans-Pacific routes, clearing the last major obstacle to United's \$750-milion purchase of Pan American's routes in that part of the world. A spokesman for United Airlines

By Richard Halloran

said Saturday that the company would begin flying the newly acquired routes on Feh. 11. The sale of Pan American's

routes to United was contingent the spokesman said, on United's being able to obtain landing rights in Japan and other nations in Asia. Only Japan had objected to the transfer. Taiwan and Singapore had agreed, the spokesman said, and applications are pending in China, South Korea, the Philippines, Thailand, Australia and New Zealand. The spokesman said the approval of the other nations

was not experted to be a problem. The dispute was another in a series of issues that have marked the history of the aviation agree-ment signed by the United States and Japan in 1952.

The Japanese have said the greement was unfair in that it gave American carriers greater access to the Japanese market than Japan Air Lines, Japan's only international passenger carrier, had to the

The United States has contended that the agreement was fair, given the difference in size of the markets, the larger number of American carriers and competition among them for markets abroad. In this case, the Japanese Minis-

try of Transportation had sought to lock the agreement unless the United States permitted Japanese carriers greater access to the U.S. market. The Japanese were particuarly eager to expand landing rights for Nippon Cargo Airlines. The chief U.S. negotiator, Depu-

ty Assistant Secretary of State Jef-frey N. Shane, said the agreement was important to the United States because it affirmed the U.S. right to substitute one airline for another on international routes. ■ Northwest Acquisition

Agis Salpukas of The New York

Times reported from New York: Analysts and airline executives say the acquisition of Republic Airlines by Northwest will put added pressure on other carriers to merge or seek acquisitions. They emphasized that no airline was likely to make such a move soon because the combination did not pose an immediate competitive threat.

and I woke up this morning and I rush out and do anything," John Pincavage, the airline analyst for Paine Webber, said in an interview.

He said, however, that midsize carriers such as USAir, Piedmont and Western could become takeover targets for larger airlines looking for a way to stay competitive with United Airlines and an expanded Northwest Agence France-Presse

MOSCOW — Soviet oil production in 1985 was 33 million metric tons below the planned target of

Northwest, a subsidiary of NWA Inc., on Thursday offered to pay \$17 a share, or \$884 million, to buy Republic. While analysts may have been

taking a long-term perspective, in-vestors reacted immediately. Air-line stocks were the most beavily raded issues on Friday. Shares of Republic rose \$1.25, to \$15.25.

Northwest dropped 871/2 cents, compensation for originating the o \$47. There had been rumors that Northwest was a takeover target, but that would be less likely once it acquires Republic.

EUROPEAN COMMUNITY

# Farm-Price Talks Resume This Week

By Steven J. Dryden International Herald Tribune

BRUSSELS - The European Community begins its annual batthe over farm support prices this week amid warnings that agricultural policy could break the EC budget.

The Commission, the EC's executive body, is expected to debate proposals for a freeze in most support prices in 1986-87, including grain. An attempt to cut grain prices last year failed because of objections from West Germany.

This year, the Commission re-portedly will consider a proposal to tax surplus grain rather than im-

Earlier this month, the Commission warned in its annual report on agriculture that given the oversupply on EC and world markets, "it is clear that existing market instru-ments are insufficient to bring about a healthier market balance or even prevent some surplus stocks from becoming unmanageable."

EC spending on subsidies and other expenses for agriculture in 1985 totaled 20 billion European currency units (\$17.6 billion), more than 70 percent of the EC budge. The report added that finding a

better market balance and maintaining farm incomes at the same time require a "major change of approach within the Common Agncultural Policy."

The Commission began a new effort to change the farm policy last summer with the publication of a so-called "Green Paper" outlining the reforms it believed were necessary, including the price freeze and tax on surphises.

Comecon Call for Ties

Draws Suspicion in EC Willy de Clerq, the EC external affairs commissioner, is expected to give a guarded reply shortly to an invitation from Comecon, the

Soviet-bloc economic organization, to establish formal relations. EC sources said the reply would stress the community's desire to improve relations, in particular with individual Comecon countries. The question of how to respond to the Comecon request for a

joint political statement and motual recognition is still under discussion, the sources said. The Commission apparently is suspicious of the intentions of the Soviet Union in pushing for the accord. The Commission would like to ensure that Moscow does oot use the agreement for directing the individual trade relations of

other Comecon countries with the In the community's view, cooperation between the two organizations would be possible only in a limited number of areas, such as the exchange of economic informa-tion and environmental policy.

### Talks Set on Improving Relations With Turkey

Relations between the EC and Turkey, practically frozen since the military takeover in Ankara in 1980, may be improved this year. Several EC countries signaled their belief that the political eli-

mate in Turkey had improved by dropping their complaints against Ankara last month at the Enropean Commission of Human Rights. EC foreign ministers are expect-

ed this week to consider a proposal for a high-level meeting between Turkish and EC officials in April.

The most important issue in EC-Turkish relations, governed by an association agreement signed in 1963, is the status of Turkish immi-

grants in EC countries.

The agreement called for the gradual removal of restrictions on the movement of Turkish workers into EC countries beginning this year. That provision is opposed by West Germany, which has the larg-

est Turkish population in the EC. The other outstanding issues include the possible release of more than 600 million ECU (\$528 million) in financial aid, which have been held up since 1980.

### Britons, Not the Danes, Are Most Doubtful on EC

Denmark's doubts about the benefits of EC membership are not as strong as those in some other member states, notably Britain, according to an EC poll last fall.

Although the Folketing, the Danish parliament, last week re-jected the proposed EC changes agreed upon in December, the poll showed that 49 percent of the Danes questioned believed their country benefited from community membership. Twenty-three percent said participation was not beneficial and 21 percent gave no re-

Britain was the country most doubtful about the merits of the community. Only 34 percent of those polled said they saw benefits from membership. Italy was the most favorable.

with 70 percent of those polled indicating that EC membership helped their country.

# **Loan-Selling Trend Raises Concern**

(Continued from Page 7)

nerstone of the banking industry. "I'd frown on our loans being sold off," said C. Resford Minix, treasurer of Du Pont Co. and chairman of the committee on corporate finance of the Financial Executives institute, a professional associa-tion. "I'd like to continue to deal with the person I thought I'd be dealing with when I got the loan, To have new people could be an inconvenience."

Loan sales are different from loan syndications, which have been around for years. Under a loan syndication, many banks share a loan from the outset, whereas in a sale, one bank initiates a loan, places it oo its books and then unloads all or part to other banks, in the United States and abroad, or to moneymarket funds, insurance companies, savings and loan associations or pension funds.

In the process of selling loans, If I were an airline executive banks say they are becoming more report.

If I were an airline executive banks say they are becoming more report.

Gary rate risk and, some say, better ah to meet adversity in the future.

Big banks in New York, Boston and Chicago are leading in loan sales because of their heavy overhead expenses and the severe price cutting they face from rival funding sources, such as the commercial-paper market. They have found they can no longer earn an adequate return on loans to large, blue-chip corporations that pay extremely low rates when they borrow.

So rather than lose the corporations' business outright, banks are making the loans and rapidly selling them, charging fees when they continue to collect on the loans and keeping some of the interest as loans, Even though the loan profit margins may not be high enough for the originating banks, other in-

And even though data on loan sales are still sketchy hecause banks account for the transactions differently, by most reckonings

loan sales are increasing at a spectacular rate. Donaldson, Lufkin & Jenrette Securities Corp., in a recent report, said that almost no banks were selling loans three years ago. Now, it says, most, if not all, of the nation's top 15 banks are in the Bankers reached by Donaldson, Lufkin said the market could guin-

tuple in the next five years. "I consider loan sales to be one of the most significant structural changes in banking in my 18 years as an analyst," said George Salem, an author of the Donaldson, Lufkin Gary R. Southern, a senior vice

president who helps manage loan sales for Manufacturers Hanover, said: "The loan officer is undergoing a massive cultural change. He is moving from a person who made medium-term loans, servicing them and monitoring the client until the loan matured, to one who works hard only to see the asset he developed placed elsewhere." What bankers, and those who

study banks, are saying now is that, as interest rates have been deregu-lated and corporate treasurers given a raft of financing options, the corporate loan business has lost much of its luster. Banks are turning to fees and interest from loan sales as a way of regaining some of that lost ground.

"More and more, the moneycenter banks are viewing themselves as originators and distributors of loans, and less as organizations that hold on to

quality loans either because those them," said Ronald I. Mandle, a institutions have a lower cost strucbanking analyst at Paine Webber ture or because they want to lend to top-rated U.S. corporate borrow-

The allure for banks, however, is ers, a group not accessible to them more than increased profit. Experts say that banks that have a ready market for their loans are better equipped to withstand a run on deposits, since such banks can quickly convert loans into cash. Bankers also maintain that the practice narrows an institution's exposure to interest-rate swings, since a bank that can sell its loans is in a better position to match the

maturity of its assets and liabilities. Selling loans raises a bank's capital as a percentage of its total assets, especially if it does not immediately make new loans with the proceeds of the sale. In the eyes of some, that can help strengthen a bank. Mr. Southern, of Manufacturers Hanover, said: "The goal is not necessarily to shrink the bank. but to allow us to better control our

balance sheets." question for loan selling, experts say, is whether bankers can avoid a replay of Penn Square. Although there have not been any disasters in the market for loan sales yet, bankers agree that the market could be brought to a screeching halt if a huge loan were sold, went bad and dragged down a large institutional

investor with it. To avert that, many big banks have adopted policies under which they will not sell a loan unless they get proof from the buyer that it has conducted its own evaluation of the borrower. Over all, bank officers heading loan-selling operations are

being extra cautious as 1986 begins. "The reason we're so careful is that what's at stake is our very reputation," Mr. Roark, of Bankers Trust, said. "Without an impeccahle reputation, a bank has no fu-

stitutions are snapping up the high-**ESCORTS & GUIDES ESCORTS & GUIDES** INTERNATIONAL CLASSIFIED NEW YORK. MIA & Rense Escor Service, 213-223-0870, Credit cords. INTERNATIONAL DOMINA AMSTERDAM ESCORT Guide Service. Tel: (020) 762842 (Continued From Back Page) LONDON PARK LANE Escort Service Tel: 01-821 0283 **ESCORTS & GUIDES** ESCORTS & GUIDES **ESCORTS & GUIDES** MUNICH - CONCORDE ESCORT Ser-vice. Tet. 91 B4 59. FRANKFURT + AREA Christino Esco Service. 069/364656. Credit Cords WUNICH - BAVARIAN ESCORT Ser-vice. Tel: 089/35 98 916. **ARISTOCATS** \*\* ZURICH-GENEVA \* : TENNA YOUNG ESCORT Service Tel: 83 33 71 London Escart Service 128 Wigners St., London W.1. All molor Credit Cards Accepted Tet. 437 47 61 / 4742 12 noon - midnight Coroline Escort Service 01/252 61 74 STUTTGART - LADY ESCORT Service. Tel: 0711/64 98 415. CHARLENE GENEVA GUIDE Serv Tel: 283-397 CONDON BEST ESCORT SERVICE Heathrow and Central London. Credit Cords. Rel: 235 2330 CRISTA, LONDON SCANDINAVIAN Escort Service, 834 0891. DOMINA-ZURICH/GENEVA Escori Service, 031/25 22 42 AUNSCH - SECRET ESCORT & Gui Service. Tek 089/ 44 86 038. ROME CLUB BUROPE ESCORT Guide Service Tek 06/589 2604 1146 (from 4 pm to 10 pm) REGENCY NY THE 01/69 58 71. CURICH LYLYTE ESCORT & GUIL Service. Tek 01/251 27 53. PRANKRIRT - EVA'S ESCORT & Irov-el service. Tel: 069/44 77 75 WORLDWIDE ESCORT SERVICE 212-838-8027 or 753-1864 Service Tel: (45) 01-945895 CHELSEA ESCORT SERVICE. LOS ANGELES ESCORT & Guide Service. 213-276-3211. 5] Beauthousp Place, London SW3. Tel: 01 584 6513/2749 (4-13 pm) COPENHAGEN/ Stockholm Miss Scor dinavia Escort Service. (45)01-54 17 0 MAYFAIR CLUB FRANKFURT JENNIFER'S ESCORT service. 069/55-72-10. Credit cords. ESCORT SERVICE from Spm ROTTEEDAM (0) 10-254155 THE HAGUE (0) 70-60 79 96 SAMANTHA ESCORT SERVICE LA don, Tel: 01-328 8459. ONDON ONLY JAPANESE ESCORT Service, Tek 01 821 0527 NAIROBI - PRINCESS Escort Serv Tel: 720 721. /TP ESCORT SERVICE, London, Tel: 01-243 0038. LONDON, HEATHROW REGENT E cort Agency. Tel. (01) 701 0185 **AMSTERDAM** 

> ALL NATIONALITIES ESCORT S vice. London 727 1127 / 221 8458 ESCORT SERVICE 48 11 20 GENEVA \*BEAUTY\* ARAMOUNT ESCORT SERVICE London Tel: 01-402 2557. SCORT SERVICE 022/29 51 30 HAMBURG - MADEMOISELE Eso Service. 040/55 32 914. \*\*\*\*\* GENEVA BEST ESCORT SERVICE. 022 / 86 15 95 AIRLINE ESCORT SERVICE Hea Gatwick, London 01-751 3326 FRANKGURT & surroundings. Nico Escort Service. Tel: 069/62 11 97 JASMINE AMSTERDAM Escart Service 020-366655 FRANKFURT POLISH ESCORT Se vice. Tel: 069/63 41 59. AMSTERDAM SYLVIA Escort Service, Tel: (0) 20-255191.

MUNICH - PRIVATE ESCORT Guide Service, Tel: 97 23 14

LONDON BEIKA ESCORT Served Tel: 01-245 1017.

FRANKFURT - PETRA Escort & Trov Sorvice, Tel. 069 / 68 24 05 HONG KONG: SWISS ESCORT Ager cy. Kowloon 724 33 01 or 66 84 90 ONDON VERONEQUE Secort Set vice. Tel: 01-225 2335 AMSTERDAM JEANET ESCORT Ser vice Tel: (020) 326420 or 340110. VICE TOK 02/520 22 65.

FRANKFURT/ MUNICH Male Escort Service. 069/386441 & 089/3518226. FRANKFLIRT "TOP TEN" Excert Ser-MADRID NEWLOOK ESCORT and guide service. Tel: 2507995. Cards. MADRID IMPACT excert and guide service. Multilingual. 261 4142 ONDON ISCORT AGENCY. Tel. 935 5339. LONDON ESCORT SERVICE. Tel. 937 6574. Tel: 370 7151. A-AMERICAN Scort Service Every wherei 800-20-0892/813-921-7946. DUESSELDORF-COLOGNE Part-house Excert Service, 0211/49 97 84. NEW YORK-LOS ANGELES, Rome's Escort Service, 212-315-3899,

BRUSSELS. AND ESCORT Service. Tal-02-733 BB 47. Credit cords accepted.

guida servica. Tel: 733 07 98

CHARLENE GENEVA GUIDE Service. Tel: 283-397

FRANKFURT, SUSANNE'S ESCORT service. Tel: 069/84 48 75 or 84 48 74

**ESCORT** USA & WORLDWIDE 212-765-7896 212-765-7754

MAJOR CREDIT CARDS AND CHECKS ACCEPTED Private Memberships Aveilable This award-winning service has been featured as the top & made analysive Escort Service by USA & international news needed including radio and TV.

LONDON KENSINGTON ESCORT SERVICE to KENSINGTON CHURCH ST. W TEL: 937 9136 OR 937 9133 All major credit cards accepted.

LONDON Portman Escort Agency 67 Chiltern Street, Lendon W1 Tel: 486 3724 or 486 1158 All major credit cards accepted

\* LONDON \* EXECUTIVE ESCORT SERVICE 402 7600 or 499 2225

LONDON BELGRAVIA Tel; 736 5877.

LONDON ORIENTAL GUIDE Service Tel: 01-243 1442 LONDON, HEATHROW VIVIEN E. AMSTERDAM BERNADETTE MAIL

020 - 271001 Zurich-geneva GINGER'S ESCORT SERVICE. TEL: 01/363 08 64 - 022/34 41 86

BURG ESCORT SERVICE

CAPRICE-NY ESCORT SERVICE IN NEW YORK TEL: 212-737 3291. LONDON, HEATHROW

JANINE ESCORT SERVICE Tel: 01-221 8425 \*\* ZURICH 558720 \* Private Tourism Guide Service Credit Cards Accessed

**GENEVA ESCORT** SERVICE, 74: 46 11 58

VENNA STUDENT ESCORT service. Contact, 83 63 64. Credit cords oc-cepted.

PRANKFURT & AREA, SIMONE'S bi-lingual escent and travel service. Tel: 62 88 05. Credit conds accepted. LONDON TRUDIE ESCORT Service. Tel: 01-373 8849. VIENNA - SALOMO'S ESCORT Ser-vice. Tel: 58 70 180

\*\* ZURICH \*\*

Alexis Facort Service 01/47 55 82

\* AMSTERDAM \*

- Darva

River, in Asia 57 Regretful Miss 60 Tenderfoot's

63 Charley had

65 Now partner

Thurmond of

the N.B.A.

DOWN

1 Art center in

2 Fall guy? 3 Beveled fitting

thermidor, e.g. 5 By chance, old

64 Teed off

68 Biblical

country

N.Y.C.

4 Lobster

**ACROSS** 1 Russell role 5 Weight 9 Sail sound 13 Aesir member

feat 62 Motion picture 14 Port Moresby's site 15 israeli folk dance 16 Marshal Dillon 66 Vogue 67 Archibald or 17 Entranced 19 N., S. or Cent. 20 Tavern drink

21 Molders 21 Mo.\_\_ 22 Rejoin —— if by land . . . 25 Dishearten 27 Aardvark or pangolin 32 Mil. address 33 Kind of steel plate 35 Sluggard 36 Plod

38 Mend shoes, in a way 49 Something to raise 41 Best and Oliver

43 Dried orchid 45 Set 46 Abjures 48 Comes back 50 Hannibal, to Romans \$1 Zola

I1 Composer of "Judith" 12 Gretzky gea 14 Hymnbook of sorts 18 Merino, for one

style 6 Blade for a fencer 7 Joy or help ender 8 Knack

10 Forte

nested boxes 59 Appear 61 Crab-eating

Abbr.

58 Group of

23 LR.S. fig. 24 Ryan or Tatum

Scanner part

25 Grocery-

26 Horatian

27 Pilasters

creation

29 Speechless

34 Residue, in

39 Change the

order of

42 TV's Morley

44 Architect I. M.

47 Drug for pain 49 Milliner's

52 Ivan or Peter

53 — pura 54 Comic Richard

creation

51 Overact

Lee\_

55 Chester or

Jessica of

56 Gray's tome:

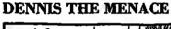
from

30 Pierce

Rouen 37 Gibbon

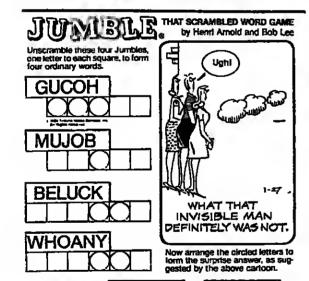
28 Parseghian of coaching fame

New York Times, edited by Eugene Maleska.





"YOU BETTER GO HOME, MARGARET. MY MOM DOESN'T LIKE SNOW TRACKED ALLOVER THE HOUSE."



Answer here: To To AT Jumbles: CRIME HONEY BENIGN AROUSE A "shower" for the bride-to-be may symbolize the beginning of this—A "REIGN"

### WEATHER

MONDAY'S FORECAST — CHANHELL Slight, FRANKFURT: Folf. Terms, 3—6 (17—11). LONDON: Vorichie scriv. Stowers loter. Terms, 18—6 (59—3). MADRID: Cloudy. Terms, 19—1 (59—3). NEW YORK: Rain. Terms, 4—2 (39—3). PERF (31). FORE Rain. Terms, 2—3 (41—27). ROME: Cloudy. Terms, 19—1 (50—34). TEL AVIV. NA, ZURICH: Folf. Terms, 2—6 (36—21). BANDKOK; Fogey, Terms, 13—21 (82—73). HONG KOMG: Cloudy. Terms, 17—12 (43—54). MANILA: Cloudy. Terms, 29—21 (82—78). SEQUIL: Cloudy. Terms, 5—12 (22—18). SHKAPORE: Folf. Terms, 30—22 (56—78). TOKYO: Folf. Terms, 7—9 (45—12).

### **PEANUTS**

Dear National Geographic Society. Let's say a person had two-dozen marshmallows

and let's say he threw all of them at once at a big cartus





BLONDIE







BEETLE BAILEY



ANDY CAPP









GARFIELD





# **BOOKS**

**JOURNALS: 1939-1983** By Stephen Spender, \$19.95; 488 pages. Random House, 201 East 50th Street, New York, N. Y. 10022

Reviewed by Richard Eder T O BE a minor poet, Stephen Spender reflects in his Journals, is to be like minor

royalty. "No one - as a former lady-in-waiting to Princess Margaret once explained to me
— is happy as that," he adds. It is not that this perennial Englishman of letters strips himself naked: He is, he insists,

"impelled not to be totally candid." He began the "Journals" in a state of depression in 1939, and for the first 10 years or so, they remained

Then, something happened; it is hard to say what. Perhaps, as with others of his countrymen, it took at least a decade for Spender to unburden himself with anyone or anything. In any case, his journals were his companion for nearly 45 years until, like the proverbial worn tweeds, they became more like himself than he The "minor poet" reflection reveals a great deal. After charter membership in what he calls

"The Thirties Racket" began to pall — you wrote proletarian poems with Oxford diction, were passionate about other young men, and did not get killed, if possible, fighting in Spain — Spender was marconed in a sense of literary inadequacy. Despite figuring as a middle peak in the Auden-Spender-MacNeice Parnassus, in a new part of the sense. he never grew very high. (The Parnassus has come to seem shorter itself, for that matter.)

All his life he kept hoping. At 70, he records a scheme to write four really important poems. As for the lady-in-waiting quote, it is also revealing. Spender, essentially a shore bird, kept making light tracks to wherever the wave was breaking. From 1930s radical, he became an establishment critic, professor, panelist, symposium chairman, traveler in literary politics and, finally Sir. tics and, finally, Sir.

That is the unkind version, if you like But Spender's journals take us past questions of kindness or unkindness. He explored himself and his times for nearly half a century with wit, sensitivity, malice and an oddly open heart and eye. By the end, he is perfectly willing to quote a Seattle sirline attendant who remarks: "Gee,

a near-celebrity."

This is fair disclosure for a man who confesses himself to be a sucker for seeing his name in print: "My beart really does do something journalistic — stop a beat, give a jump — if my eye hooks on to the printed word "Spender" or even — now I am getting a bit astigmatic —

Solution to Friday's Puzzle SODA STRUCTURED NOGREATSHAKES ANTHEMETEREROAM LURIDESERUM ALE DROPINTHEBUCKET ESP TIRED THERE REES PIE TAINTS CAPP SINN SMALLPOTATOES GOALKEEPER ORAD SESS

any conformation of letters like it. ("Spring" for

example.)"
As a founder of Horizon, and later as an As a rounder of Franzon, and later as an editor of Encounter and Index magazines. Spender was in the thick of Britain's steadily thinning literary life. He knew everyone. Arguming with a friend as to whether the protagonist in the Encounter Research Propagation of the Encounter Research Propagatio in T. S. Eliot's "Family Reunion" had committed real or only symbolic murder, it was a matter of course to hop a cab over to Faber and Faber after lunch to ask the author. The Great Man replied in high Eliotese that "he did not think it important to know,"

Spender's connections were international. He writes about walking past the Payne-Whife ney clinic in New York and seeing "a woebe gone man with a look on his face which com-bined suffering with gentleness and sympathy, sitting on a trash can at the edge of the side-walk." It was Robert Lowell. The two chatted about Lowell's suicide attempt until two nurses came and collected him. There is a piquant encounter with Louis Aragon, a fellow-guest at the Rothschild estate at Mouton. Aragon, one of the last cultural figures reliably available to the French Communist Party, confided that he really detested the Communists because they

Auden appears throughout. There was a bond, but a good deal of prickliness, as well. Visiting him in Italy, Spender asked for lire in exchange for a pound note so he could buy consister. Auden consisted the nound in cigareties. Auden consulted the pound exchange rate in the paper, and announced tri-umphantly that it had gone down in his favor. The meanness stunned and infected. Spender remembered Auden coming and drinking up his wine; and a previous time when it was he who had drunk up Auden's champagne.

Spender ended up ahead, of course, To support his family, he spent years crisscrossing the United States, giving lectures and poetry courses. It was, to scane extent, a matter of "Have Anden, Will Travel." Spender realized that part of his value was the anecdotes. "People ment to know force me about other people ple want to know from me about other people, mostly dead," he writes.

Spender could be a shrewd critic, but the critical reflections in the journals tend to be self-conscious and woolly. The literary scene emerges more sharply than the literature. In a single line, he splendidly evokes the snobbish misery of a London authors' hunch. "Everyone behaved as though he was being at once con-

sciously disappointed and a disappointment."

He says intle about his marriages; the first, brief and unhappy; the second, long and apparently screne. He makes various references to his homosexual affairs; among them, a 30mirrute encounter with Richard Crossman, later a prominent Labor politician; and a more protracted one with a University of Florida The most vivid note of emotion comes in his

45.00

. ...

OREBOAR

Mother Property in a

references to his son, Matthew. He recalls the child telling him, as they were driving together and he was feeling low: "Don't look like that, Dad, I can't bear it." Later, Matthew announced that he would try to win a scholarship so that Spender could stop his frenetic traveling and concentrate on poetry.

Clearly, the poetry was not there. Spender needed his perpetual busyness to provide ma-terial and occasions for a less autonomous, but quite genuine gift. As he intimates towards the end, his Journals contain some of his most valuable work.

Richard Eder is on the staff of the Los Angeles

### **BRIDGE**

By Alan Truscott

On the diagramed deal, spade king was cashed, leaving feat the slam. from an international this postion: team championship tournano-trump, but the opening lead varied. After the auction shown, West led a spade and South had no trouble. After a slightly different auction, in which South showed some spade strength, West led the heart six and gave the declarer

queen, led to the club ace and

no help. South won with the heart

continued that suit. He did not that West had begun with 3-4-know what to do when the 4-2 and was guarding both maqueen won, for a third club jor suits, so he played three lead could mean quick defeat. rounds of hearts. That might He cashed four rounds of dia- have end-played West, but

monds, and East, in some trou- East produced the winning ble, gave up two spades. The heart and the club king to de-

NORTH DAKS 4 Q 10 7 6 9 J 10 3 2 9 10 7 4 K 9 4 ÷E. SOUTE (D) 67819 438

It seemed likely to South

### **SPORTS BRIEFS**

1-27

### East German Women Set Track Marks

BERLIN (Combined Dispatches) — Heike Drechsler of East Germany leaped 23 feet 11 inches (7.29 meters) to break the women's indoor world long jump mark at a competition Saturday in East Berlin, and on Sunday teammate Cornelia Oschkenat of the skiing season here Sunday

ran a women's indoor-best of 6.73 seconds in the 50-meter hardles.

Drechsler, 21, broke the mark of 23-9½ set last year by Galina Chistyakova of the
Soviet Union. Drechsler also holds the outdoor world record of 24-5. Oschkenat cut a hundredth of the second off the mark set by Armeliese Ethardt of East Germany in February 1973 and tied by Zofia Bickzyk of Poland in

February 1981.

Sutton Takes 4-Shot Lead in U.S. Golf

PHOENIX, Arizona (AP)—Hal Sutton overcame a balky putter with a 3-underpar 68 Saturday and increased his lead to four strokes in the third round of the Phoenix Open golf tournament.

Sutton was at 196 with Howard Twitty a paties of Phoenix of Phoenix Open golf tournament.

Sutton was at 196 with Howard Twitty, a native of Phoenix who shot 70, second at 200. Calvin Peete, the defending titleholder, put a 173-yard (158-meter), five-iron shot into the cup for an eagle-2 on the 11th hole for a 68 and was tied at 201 with Curtis Strange, Greg Norman of Australia, Ronnie Black and Tony Sills. Sills and Strange each shot 65, Norman 66 and Black 69.

Friday, Sulton shot a second-straight bogey-free 64 for a two-stroke lead over Twitty, who carded a 63. Don Pooley, who won the Vardon Trophy in 1985 for the low stroke average on the tour, matched the course record with a 10-under-par 61, but an opening-round 74 put him at 135. PGA champion Hubert Green, the first-round leader at 63, went 11 shots higher and out of contention.

### NHL Suspends Detroit Coach for 6 Games

DETROIT (AF) — The National Hockey League has suspended Brad Park, coach of the Detroit Red Wings, for six games and fined the team \$5,000 in connection with a beach-cleaning brawl earlier this month in Toronto. A team spokesman said Park will begin the suspension next Friday. Details of the suspension were announced Saturday by the NHL's president,

John A. Ziegler Jr., said the team spokesman. Park's suspension is the seventh this season against the Red Wings, who had the league's worst record (10-34-5) following Saturday's 6-3 defeat in Boston.

## Park, who replaced Harry Neale as coach on Dec. 30, had admitted sending his players onto the ice in the closing minutes of a Jan. 13 game in Maple Leaf Gardens. Toronto led, 6-4, at the time of the melee and won by 7-4. Ourasi Wins Premier French Trotting Race

PARIS (AP) — Ourasi won the Prix d'Amérique at Vincennes Racetrack on Sunday, bringing his owners 1.1 million francs (\$146,000) in prize money and a record-tying sixth victory in France's premier trotting race for driver Jean-René Gougeon.

Mon Tourbillion was second, followed by the Italian-owned Micron Hanover.

Ouotable

• Golf teacher Phil Rodgers, acknowledging that he didn't miss many parties during his years on the PGA tour. "Some mornings I didn't really warm up — I just hit enough putts to see what frequency my nerves were on."

(LAT)

# Steiner Takes 3d Slalom; Stenmark Ends Drought

Compiled by Our Staff From Dispatcher
ST. GERVAIS, France — Ros-

# WORLD CUP SKIING

while the powerful Swiss team fell

sabeth Kirchler of Austria by 10hundredths of a second in a women's super-giant sialom.
Steiner, 22 and in her seventh

World Cup season, completed the



Michaela Marzola "... I didn't think I would win."

58-gate first run on the St. Gervais course with a 155-meter (508-foot) vertical drop in 45.66 seconds. She made the 57-gate second run in 45.38 for a winning total of 1 min-ute, 31.44 seconds. Another veteran slalom specialist, Perrine Pelen of France, was second in 1:31,60, with Mateja Svet, 17, of Yugoslavia third in 1:31.64.

"I had a perfect second run," said Steiner, who won at Sestriere, Italy, in the first of this season's five sialom races, and again at Maribor, Yugoslavia.

Erika Hess of Switzerland fell midway through her second run but retained the overall cup lead. Brigitte Oertli was disqualified when she ran over the next-to-last gate on her second run and another Swiss, Brigitte Gadient, crashed near the end of her second run.

Hess's younger sister, Monika, fmished fourth in 1:31.77 and won the combined event after finishing 18th in Saturday's super-giant sla-lom at nearby Megève. It was Mon-ika Hess's first World Cup victory, which put her 25 short of her sister, the two-time overall champion:

Corinne Schmidhauser of Switzerland was second in the combined, with Austria's Anita Wachter third. Olga Charvatova of Czechoslo-

vakia, a slalom specialist who en-tered the race a heavy favonte to win the combined after placing fifth Saturday, fell on the second gate of her first run. Vreni Schneider of Switzerland,

in third place overall behind Hess and Maria Walliser, stretched her right knee ligaments in a fall Satur-day and said she would be unable to compete for at least three weeks. Marzola, starting 30th, covered

the 1,620-meter course at Megève, with its 40 gates and a drop of 415 meters, in 1:20.73. Kirchler was to hold it Monday, since many ractimed in 1:20.83 and Traudi ers were to take part Tuesday in a

The 19-year-old winner's best previous finish had been a fifth place in the downhill and 10th in the giant slalom at Puy St. Vincent. But she took over first place in the super-giant standings with 41 points, one ahead of two West Germans, Hacher and Marina Kiehl "I skied very well," said Mar-zola. "Still, I didn't think I would

tinnous snowfall, and the soft snow on the course put early starters at a strong disadvantage. Switzerland's Walliser, who was first off, finished 34th overall. Stenmark, 29, put together times of 52,33 and 55.26 seconds for an

of 52.33 and 55.26 seconds for an aggregate 1:47.59 on the snow-driven course at St. Anton for his 81st World Cup victory. Rok Petrovic of Yugoslavia was second in 1:47.87, with Jonas Nilsson of Sweden third in 1:47.93. Stenmark dominated both the gi-

ant and special slalom for much of his 12-year career, but last won a slalom in 1984 at Parpan, Switzerland. Why does he keep going? "I love skiing," he said. "I can't explain it any other way." Stemmark was second to Petrovic

after the first run, but turned in the fastest time of all in the second

Stemmark took a two-point edge over Nilsson in the slalom standings and closed to within three points of the overall cup leader, Austrian downhiller Peter Wirns (AP, UPI) ■ Men's Downhill Postponed

The Kandahar World Cup men's downhill was postponed Sunday because of heavy snow and fog, Retiters reported from St. Anton. The race was rescheduled for Friday in Wengen, Switzerland. Organizers said it was impossible

Hächer of West Germany in giant slalom in Adelboden, Swit-



Sunday's cup sialom in St. Gervais, France. Said she: "I had a perfect second run."

By Christine Brennan

Washington Past Service

ously was ready for the game itself.

the Bear offense much, much bet-

ter. If his sore rear end hampered his ability to run, the Bears could

be in trouble. If the Patriot defense, especially outside linebackers An-

never seems to be totally healthy,

by the time the ball is snapped.

left open, but that works for the

Naturally, the middle of the field is

Bears because they believe their

ass rush will get to the quarter-

back before he gets the ball to those holes. The Bears usually are right.

The thinking in this game was that

Eason must read Fencik by the

third step when dropping back to

pass. First-down plays, especially, were likely to offer the greatest

Chicago right defensive tackle

Hannah is a 13-year veteran who

to the right side if Perry couldn't do

the job. Hampton said Hannah is

the best one-on-one blocker in the

league." If it took two Bears to do

this job, it would after the vaunted

46 defense.

early in the game.

that would stop now.

### **SPORTS**



# Ofson Raises Indoor Vault Record to 19-4

On his first attempt at the height, Billy Olson cleared 19 feet, 4 inches at a track meet Saturday night in Albuquerque, New Mexico, setting his third world indoor pole vault record in a month. On Dec. 28, Olson vaulted a record 19-214; on Jan. 15, Sergei Bubka of the Soviet Union raised the standard to 19-3, but two days later the American reclaimed the record at 19-31/2. "I'm extremely keyed up," said Olson on Saturday. "I could have jumped all night. I'm right on schedule - I'm really looking forward to the meeting with Bubka at the Millrose Games," Feb.

14 in New York. "I can't say who will do it, or when, but there will be a 20-foot vault someday."

# Magic Gone, Lakers Drop 3d Straight

INGLEWOOD, California -The National Basketball League jured during the loss to the Clipchampion Los Angeles Lakers have fallen apart in the absence of Ear-

vin (Magic) Johnson. The Denver Nuggets, a team battling a slump, took charge midway through the second quarter here Saturday night and never looked back in blowing out the Lakers,

Hobbled by a sore right knee, an obviously below-par Johnson played in a 110-95 massacre Wednesday night in Boston and on Friday he watched the Lakers lose to the crosstown Clippers, 120-109.

He was on the bench again Satur-Among the problems the Lakers have when Johnson is missing are the absence of a fast break, poor

rebounding and a disorganized half-court offense. Johnson is the NBA's assists leader at 13.1 per

Adding to the woes of Coach Pat Riley, two other players are ailing. Maurice Lucas missed the second half against Denver because of diz-

pers. He was not at his best against

### While Riley admits that the loss

**NBA FOCUS** of Johnson is a blow, "there is no reason to panic. A 32-10 record is not too bad ... But this is a deli-

cate game. Just a couple of little things can throw off your game." Alex English scored 20 points to lead the Denver attack. Calvin Natt added 18 points and Wayne Cooper scored 14 and pulled down a game-high 14 rebounds for the winners, while Lafayette Lever had 13

points and a game-high 10 assists. Eight Nuggets scored in double fig-The teams played evenly and finished the first quarter tied, 31-31.

53 at halftime. As the game started getting away

Cooper limped on a sore calf in-iured during the loss to the Clip-foot-9 (2.05-meter) James Worthy to a guard spot on offense. He had

Worthy and Cooper at guard, Kurt Rambis and A.C. Green at forward and Kareem Abdul-Jabbar at cen-

The move lasted a minute in the . third quarter - when Rambis picked up his fourth foul.

The Lakers were unable to draw William Perry (325 pounds/147.4 any closer than nine points in the kilograms) vs. New England left third period, and the Nuggets guard John Hanneh (265 pounds): The Lakers were unable to draw pulled away to lead 95-80 going

into the final quarter.

"Hopefully, we can do this in the playoffs," said English. "We were very disappointed last year, so we're all happy with our success into the Lakers."

"The bowl since it started, and this banue would likely be won by experience. I hannah enjoys playing against big linearen who try to throw their weight around. Chicago's defensive weight around. Chicago's defensive weight around. Buddy Ryan, said he

Nuggets Coach Doug Moe. "We had lost at home Friday night and have been struggling."

Moe said he wished his team had

The score was 41-41 at 7:51 of the the Lakers' problems. second quarter when the Nuggets "So they'll win the division by 20 went on a 19-6 tear; they led by 65games instead of 21," he said. "I'm not feeling sorry for them. Are you (LAT, AP)

NEW ORLEANS - From the broad perspective, Sunday's Super Bowl XX was to be a game between the Chicago Bears and the New England Patriots. But it really came fensive line is its stronger side, on recondown to a contest between individ-Jim McMahon vs. the New Ensand Raebackers: Having wreaked havoc throughout Super Bowl week, quarterback McMahon obvi-

worth watching. Chicago has the ception in the season's earlier tough against the run and at creatbest defensive line in the game, and meeting between the teams. The ing turnovers.

New England's left side of the of-Patriots were likely to send James Receivers Sta Dent has become the best pass the backfield to keen Singletary

rusher in the league. He was virthally unstoppable in the two playoff Running back Walter Payton vagames. One mistake by Holloway New England Inside linebacker
and Dent would be all over quarSeeve Nelson: Payton can run interback Eason. Holloway, a strong side and outside, can block catch blocker for the run, had to have a passes, can even throw passes. But good day for New England to win.

Running back Craig James vs.

Chicago middle linebacker Mike gained more than 70 yards in any of Bowl, and Starring has 4.4-second er than 40 yards this season.

le Brian Holloway: Obviously, the Singletary: James's most important three previous encounters): But the Pro Bowl left side of the Patriots' role might be occupying Pro- Bears have done well all season offensive line and the right side of Bowler Singletary, who sucked Eagainst 3-4 defenses. Linebackers the Bears' defensive line would be son three times and had an inter- Nelson and Larry McGrew are

Receivers Studiey Morgan, Ste-Chicago cornerbacks Leslie Frazier and Mike Richardson: Said Fryar, hand: "If they have a weakness on .

Individual Matchups the Super Bowl Key The Patriots were likely to try to isolate Morgan on Richardson, who is more susceptible than Frazier to being beaten on fade pat-

> The special teams: The Patriot phes Starring and Irving Frynt vs. Frynt's return (he led the league with a 14.1-yard average). The Bears had mouble on kickoff coverwho was back after cutting his age this season; the Patriots on punt coverage. New England place-kicker Tony Franklin had seven

teres.

# Some Telltales of Two Sky-High NFL Cities

dre Tippett and Don Blackmon, could contain him, the Bears could be in trouble. But McMabon, who By Fox Butterfield New York Times Service rolls left and throws better on the BOSTON — Growing up in the nearby industrial city of Brockton, John Boyajian could never bring run than almost anyone else. He enjoys throwing play-action passes to his wide receivers, especially Willie Gault and Dennis McKinhimself to be a fan of the New England Patriots. "They were such a disappointment," he recalled. "A

non. There was no reason to believe few wins and then they'd die." Tony Eason vs. Chicago free safety Gary Fencik: Was quarter-Boyajian, 33, a caviar importer, was like many people in New Enback Eason healthy? If he was (he gland. Accustomed to the winning tradition of the Boston Celtics, the returned to practice Saturday after a mild bout of flu), this could be heroics of the Boston Bruins and the perpetual dreams fostered by the Boston Red Sox, they scoffed at quite a cerebral matchup. The Bears use their free safety, in the 46 defense, differently from the way the Pats. In their 27 years of exismost clubs use theirs. He inches tence the Patriots were best known for such things as calling a former player out of the stands, on the closer and closer to the line, and winds up in a linebacking position

public address system, to return the opening kickoff But suddenly Boyajian and near-

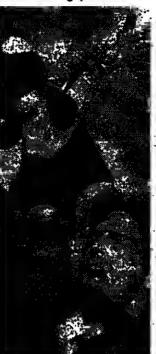
ly everyone else in Boston had what was being called Patriotism. Kindergarteners at the Upham School in suburban Wellesley, where soccer has virtually replace

football as a fall sport, spent Friday making Patriot hats and permants. The Penobscot Indians in northern Maine sent the team 30 pounds chance for the big play — a Chicago sack, a New England bomb — skin from a black bear that was recently shot on their reservation. According to tribal tradition, giving a hunter a taste of flesh from a

hunted animal helps him find and kill his prey, said the Penobscot's governor, Timothy Love. When the Patriots left last week for New Orleans they were cheered by a crowd of 10,000 at Green

Airport in Warwick, Rhode Island. After the Patriots upset the Miweight around. Chicago's defensive ami Dolphins in the American middle linebacker, returned home coordinator, Buddy Ryan, said he Football Conference title game two would move left end Dan Hampton weeks ago, Boyajian was so existing the Paider in Paider in

ing 400 pounds of lobster to the Hotel Intercontinental in New Orleans, where the Patriots are stay- nothing like that had ever hap-Chicago right defensive end Riching. The team, it seems, had or-ard Dent vs. New England left tack-dered the lobster for dinner.



As an indication of Patriot fever, game attracted a 72 percent share podium at 1 P.M. Sunday, instead aroused no particular excitement of the local television market, according to the Nielson ratings. of 2,600 was to hear Tchaikovsky's here, no special television shows and no banner newspaper headgram in Boston's history. An enchanted season had made

the Patriots into local heroes at last. When Steve Nelson, the veteran he could not sleep all night.

He managed to get two Super hood dotted with signs. "Awe-Bowl tickets, he explained, by trad-some," said one, "Go 57," said another, referring to his number, pened before - never." Nelson

By Andrew H. Malcolm New York Tones Service

CHICAGO -- Who cares about the Bears? Obviously, not Chicago.
The big Bears pins that Federal
District Judge Prentice H. Marshall wore on the bench and the pins on every member of the jury in the courtroom were just a sartorial coincidence but as when many 7year-old boys showed up at St. Steshen's Flementary School wearing punk sunglasses, white headbands and Bears jerseys with the No. 9 of quarterback Jim McMahon.

Joseph Cardinal Bernardin's schedule for Super Bowl Sunday just happened to start with a mass at 10 A.M. at St. Ignatius Church and was to end with a 7:30 P.M.

confirmation at Holy Angels, with an open period the rest of the day. Chicago was probably going to erect a 20- by 30-foot (6- by 9meter) television screen outside city hall anyway, so that downtown strollers could watch Sunday's tele-

vised golf matches. The Chicago Symphony Orches tra's concert dates are scheduled years in advance. So it is highly mlikely that anyone was thinking Super Bowl when the orchestra polled its Sunday series subscribers last month about changing the time of the Jan. 26 concert. Still, Sir Georg Solti was to step onto the podium at 1 P.M. Sunday, instead ture" two hours earlier so it could

In the week preceding a championship professional football game. does not every city's symphony or-chestra return to the stage wearing blue and orange stocking caps to sportscoats because they are warm-play the team's fight song? And cr. Taxicabs always drive around does not every cultured concert audience respond with foot-stomp- say: "One More Shutout."
ing, chanting braves for large, hairy ... Other than that, though, Chicago mammals?

It was not surprising that The about its football team. Just wait Chicago Tribune would dispatch: till next year.

phers to New Orleans on the last weekend in January. The Middle West is always desperate for com-plete coverage of Louisiana.

Many of the area's major shopping centers planned to close early, at 4 P.M. Sunday, in apparent concern over racking up too many sales

15 minutes before the game's kick-

In short, Chicago is so accustomed to having winning profes-sional sports teams that it has grown blase over the Bears' crushing success this year. It has only been about 8,200 days, or 1,198 weeks, or 23 years, since the Bears' last championship, when they beat the hated New York Giants.

Three weeks ago the Bears again beat the team from the nation's largest city, 21-0. And two weeks ago the Bears thumped the suntanned team from the second largest city, 24-0. It was obviously just good-natured fun that prompted Chicago disk jockeys the next day to telephone, on the air, the city desk of The Los Angeles Times and ask an editor to read aloud the headlines about the Rams' loss.

All in good fun. Or, as Chicago's coach, Mike Ditka, put it, "The theme of this game is, "Take no

lines. Nor were there any mounget outside in time to watch the tains of Bearaphernalia everywhere — pins, hats, shirts, mugs, pen-- pins, hats, shirts, mugs, pennants, posters, keychains. And Bears bears.

Grown businessmen always prefer to wear Bears T-shirts under with orange bunting and signs that -didn't seem to be caring much

iem Storte

Williams 12-18-3-527, Stipenovich 7-) 17-721;

no 36 (Kellogg, Flaming 8).

INDURANA Milyerotene New York 22 25 22 14— 38 Monteriel 7-14-9-24. Cummings 11-30 1-6 23; Ewing 5-11 10-1229, Wilkins 9-172-229. Sportow 24 77. Releaseds: Althrockee 44 (LLISter 12), Assists: Alli-

a-17 5-5 17. Resounds: Althouse 44 (LLister 11); New York St (Ewing 12). Assists: All-woukse 27 (Curnmings, Pressey, Davis 5)) New York 21 (Sparrow 10). Partland

Vonctowagne 10-16 13-12 32. Jones 5-7 11-13 31; Thrus 10-2) 7-10 26. Johnson 10-20 1-1 31. References: Perford 23 (Jones 12); Secre-ments 57 (Otherding 12). Assists: Perford 29

(Drexier 14); Socramento 31 (Thous 13).

29 37 27 49—129 24 29 27—125

### SCOREBOARD

### European Soccer

WEST GERMAN FIRST DIVISION ori & Bover Verdingen 2 is: Werder Bremen 31; Bavern Munich, Berussie Mönchengledbech 27; Hern-burg 25; Bayer Leverkusen 24; Bayer Verdinget 21: Walchot Mannheim 20; Bochum, Stat-Jart 19; Cologne, Borusska Dortmund 15;

Stati-part 19; Cologne, Borussia Dortmund Scholke. Kalserslouters. Eliminath Engl 17; Nutembers 16; Saarbruecken Hannower 14; Fortuna Duesseldorf 11. 17A-LIAN FIRST OLYTEROS Aveitina 1, Millan I Como 1, Bari 1 Inter 2. Udinese 1 Juventus 2. Verono 6 Lecte 2. Flocestina 1 Plas 1, Arbonta 1 oria & Tarino oli, Torine 23; Inter Allen 21; Florentine

deria, Verena Ia: Pisa, Como, Alc nto. Avelitno 17: Bari 14: Udinese )3: Leca SPANISH FIRST DIVISION SPANISN FIRST OIVISIG Hercules 2. Sevilla I Barcelona I. Athletic de Bilboo 1 Cadiz 2. Cocauna 0 Valiodalid 1. Atletico Madrid 1 Rool Madrid 1. Zarcacan 0 Calta 1. Sentander 2 Giton I. Español 1 Rool Sociedad 6. Volencia 0 Batts 1. Las Patimos 1

Oxford 6. Coventry 1
Points: Monchester United 55; Everton,
Liverpool.Charted 55; West Horn 45; Sheffield of 43; Walterd, Newcastle 34: Totter Monchester City 35: Southampton, Pork Rongers 33: Coventry 28:

### Transition

BASE BALL
Notional Leopue
CMI CAGO—Signed Lory Scrensen, ellicher,
a el pne-veor contract
le, AN DI EGO—Stoned Leon Roberts, second
biggentos, to a one-veor contract.
SAN FRANCISCO—Stoned Allee Homsnoker and Mark Davis, bitchers, to one-veor

SASKETBALL agms Jon. 17. NEW YORK—Activated Bill Contempts, farward. Placed Pel Cummings; forward, on FOOTBALL

KANSAS CITY—Named John Paul Young defensive line coach and Carl Mauck offen-sive line coach. N.Y. JETS—Named Jim Vechioretid line-WASHINGTON-Signed Joe Theismonn, everterbock, to a two-year contract and Art Bank, wide receiver, to a three-year contract.

HOCKEY National Nockey League OETROIT—Recalled Adam Optes, center, from Adirondock of the American Hackey League. N.Y. ISLANDERS—Assigned Art Hopmod, right wing, to Springfield of the American Hockey League.

1 4475	ional			-		7	LC	
	WALE	S CON			CE			To
	-	W	L	T F	-	GF 6		
Philod	alohia	35	14		70	215	147	Fee
Washk		29	14	4	62	193	159	TOF
	onders	21	17	10	52	194	176	Ber
Pittsbu		35	22	3	49	187	187	Pft
NY Ro	moers	272	23	3	47	145	164	Do
New J	ELZGA	15	30	2	32	178	225	F
	Ac	loms	DIVE	slon				Be
Montre	ioi	77	17	5	59	219	170	(9)
Quebe	5	28	16	2	58	199	142	134
Hartfo	rd	28	20	ī	53	)99	174	
Boston		22	12	7	53	190	173	20
Bulfak	3	22	21	5	49	181	149	
	CAMPER	ELL Ç	ONF	ER	ENC			-80
		orris E	HVE	ton				<b>Tak</b>
Chicag		23	16	7	53	375	210	⊒k(
\$1. Lai		20	20	6	44	174	123	
Atjune:		18	22		44	192	188	
Throni		12	10	5	29	190	230	
Delifol		10	34	5	35	163	244	11
		TYIDE						1
Edma		34	11	4	72	259	199	_
Colgan		22	31	4	48	200	185	
LIPS A		15	25	6	36	17)	4.5	
Vanco		15	27	6	36	172	361	
Winnis	eg	15	31	5	35	121	237	

Washington
Bossy (34), Trattler 2 (25), Gilbert (41, B.Sut ter (10). Makeia (9): Gorimer 2 (20). Christian (20), Lauphiin (15), Stevens (6), Shotsed goat: N.Y. Islanders (on Pecters) 7-11-6—24) Wash Chicago 6 2 3—6 Beffolo 1 1 1—3 Secora (24), B. Murray (51, Otczyk (171, Ber-gryin (51, Savard (33): Ruff (19), Faligne (22), Orlanda (111, Sabris orgat: Chicago (an Bar-rasso) 8-17-12—32: Buffala (an Sauve) 13-10-15—38

Edmonton 0 4 2 8-4
Edmonton 2 8 2 1-7
McSorley (91, Kurr) (35), G.Anderson (31),
McSoier 2 119, Krushelmyski (91, Gretsky
1371: Cirallo (41, Preston (131, McNob (131,
Vorboek 1111, Bridgman 115), Muller (144,
Shots on gool: New Jersey (on Fultr) 7-11-43-77: Edmonton (on Bislington) 11-7-8-2-28,
Prifisburgh,
Vancourse

-28: Vancouver (on Romano) 12-13-6-33. SATURDAY'S RESULT2 Detroit 0 2 )—3 Boston 2 13, Burridge (10), Crowder 12Ti, Kasper 1131; Larson 117i, Cidrocki (7), Kisto (7), Sbotz 64 goal; Detroit (on Riogin) 6-

Olcryk (18), Severd (34), Secord (24); Bossy (35), Kortie 17), Le Fonteine (22), Stots on 9001: Chicogo (on Hruday) 13-10-10-1—34; W.Bobych (8), Tipport (11), Turgeon (27), Quennovillo (4), Ferrèro (10), Hoffmon (11, D.Bobych (11): Boschman (20), Aralel (14), Shatton dout Winnipeo (an Weeks) 4-5 f-23; Hartiford (an Horward) 11-11-4-26. Christian 2 (70), Gustafston (151, Delich (7).

Currenten 2 (79), Gussension 1151, Delich (7), Toylor (12), Adoms (13), McCorriy (8), Low-lon 191, Ciccorelli 119), Seets on seet: Wash-inaton I on Cosey) 17-8-8-21; Minnesold (on Jensen 19-8-3-76. Los Angeles 0 1 3-2 Education 0 1 3-2 Education 0 1 3-2 Anderson (21), Greitek (33), Krushehmaki (10), Napier (14), Marsier (28); Tavior (21), Hardy (5), Shots on stat: Les Angeles (on Magai 4-15-7—70, Edmanton (on Eller) 10-7—70. ship (on Miller) 16-11-12—24; St. Louis (on Jensen) 10-14-24—46.

andings terente 1 8 1 6—2 tentrent 0 1 1 1—3 Carbonneou (16), Wetter (12), Smith (21); inspus (19), Seinthei (2), Sheft se gool: Te-into (on Roy) 16-7-52—38; Montreol (on tentendt) 16-18-11-5—34. Tisbureh

Peplinski (14), Suter (5), Potterson (7), ers (10), Macinis (7); Errey (10), Macina on goal: Pittsburgh (on Lemelin) 9official 1 2 6-3 within 2 1 1 1-4 Ashton 2 (16), Show (4), Hower (15); Per-out (15), Tucker 2 (27), Shels on seed: But-to (on Molorciuk) 15-8-3-48; Quebec (on outler) 14-15-14-43.

# World Cup Skiing

MEN'S SLALOM
(AI SL Anton, Assirte)
1. Imperior Stemmork, Sweden, 1:47.97
2. Rok Petrovic, Yuodiovio, 1:47.97
3. Jones Misson, Sweden, 1:47.97 1. Jones Hilson, Sweder, 1:4/37
4. Marc Girardelli, Luxembourg, 1:48.25
5. Pout Frammelt, Liechteastein, 1:48.96
6. Thomas Buersier, Switzerland, 1:47.23
7. Didler Bouvet, Franca, 1:47.50
8. Gunnor Neurletzer, Sweden, 1:47.93
9. Frank Waerndl, West Germany, 1:58.02

MEN'S OVERALL STANDINGS MENTS OVERALL STANDINGS
1. Peter Winnsberger, Austria. 138 p.
2. Impernor Stemmork, Sweden, 127.
2. Marc Girardelli, Luxernbours, 127.
3. Marc Girardelli, Luxernbours, 127.
5. Rok Petrovic, Yugoslavia, 88.
6. Pirmin Zurbriopon, Switzerland,
7. Jonas Nilsson, Sweden, E.
8. Boless Krizol, Yugoslavia, 75.
9. Poul Fronzelt, Liechtenstein, 6.
10. Androps Weezel, Liechtenstein, 6.

WOMEN'S SUPER-GIANT SLALOM (At Meyers, France)

1. Michaela Marzola, Italy, 1:20,73

2. Elisabeth Kirchler, Austria, 1:20,83

1. Troudi Hoscher, W. Germany, 1:21,81 Shriko (24), Crawford (7), Lanz (6), Gradin 161: Shedden (23), Schmidt (9), Lemieux (27), Shaft an east: Pittsburgh (an Bradeur) 9-13-Katrio Guttenscho, Austria, 1:21.03 Olea Charvatova, Czechoslovak & Marine Kiehl, W. Germany, ):21.76 7. Anna-Flore Rev. France. 1:71.86 9. Lisa Savijarvi, Canada, 1:22.24 P. Michelo Figini, Switzerland, 1:22.9 10. Aniha Wachler, Austria, 1:22.9

WOMEN'S SLALOM (A) St. Gervois. France 1 with Steiner, Austria, 45.46-45.30 1 1 1 6-3

& Ide Ladgenetter, Austria, 45.83-46.23-7. Mario Epote-Beck, West Germany, 45.70-46.05-46.21—1:32.26 9. Caroline Beer, Austria, 46.22-46,13— Hetene Sorbier, France, 44,79-45,64-

NOMEN'S OVERALL STANDINGS WOMEN'S OVERALL, STANDINGS
1. Eriko Hess. Switzerland, 174 polish
2. Maria Walissor, Switzerland, 172
3. Vreel Schreider, Switzerland, 170
4. Michele Fisini, Switzerland, 133
5. Michele Gers. W. Germany, 117
6. Marino Kiehl, W. Germany, 117
6. Kathin Gulemoins, Acettio, 112
8. Briglite Certil, Switzerland, 89
9. Troudf Houcher, W. Germany, 81
10. Rowelling Selient, Austria, and Learth



Georgia Tech's Antoine Ford squeezed this pass between Joe Wolf (left) and Kevin Madden, but Wolf's 22 points helped unbeaten North Carolina to an 85-77 victory on Saturday.

### Selected U.S. College Scores

FRIDAY'S RESULTS EAST Bowdoin 49, Amherst 48 CoRy 85, Williams 89 Accrueate 64, Hortford 55 Parn 80, Lafavette 89 Rochester 62, RPI 61 Union 78. Hobert 76. OT MIDWEST Cornell 47, Chicago 45 Knex 47, St. Norbert 64

N. Dakata 68, N. Colorado 57 Nets-Omatic 66, N. Dakota 51, 48 William Penn 77, Central 36 FAR WEST se St. 72, Montona St. 70 Montona 66. Puget Sound 5 mboldi St. SS, Cal-Davis 54 Hemboldi St. SS, Col-Davis : Idaho 70, Montana 44 Idaho St. 78, N. Arisona 72 Laryole, Collf. 55, Sonta Clore 54 Metro St. 57, Sonta Fe 64 New Mexico 64, Colorodo 31, 51 Pespardine 78, Son Francisco 34 Weber St. 89, New-Rano 68

SATURDAY'S RESULTS Alfred 9), RIT 53 Sobsen 82, Suffelk 48 Sostan U. 17, Vermont 42 Drew 44, Vosser 40
Dressel 90, Delowere 90, OT
Ovoverne 47, Rhode Island 6
Fakfield 74, Hoty Gross 61
Frontille & Marshall E2, Get

George Washington 45, Penn St. 61 Georgetown 75, Baston Col. 46 Harvard St. Brundels 26 Hotstra 47, Towson St. 25 ione \$1, Fordborn 49 Kinss Point 17, Worcester Tech 39 Latovette 7L Bockmeil 39

Ltu 81. Fefrielph Dickingon 25 New Homeshire Col. 100. Keete St. 77 New Hoven 73. Bridgeport 64 Nicopare 17, Marine 72 Rider 69, Lahlah 48 Rochester 71, Union 46 St. John's 65. Pittsburgh 57

St. Joseph's 7), Rutgers 57 St. Lowrence 67, Ithoco 54 Syrocuse 80, Connecticut 6 Syrocuse 80, Connection 67 Temple 67, St. Bangventure W. Virginia 17, Massoch Williams 72, Soudoin 58 Yale 73, Brewn 70 SOUTH Akron 64, Terressee Tech 54 Alobama 67, Florida 64 The Chadel 64, Davidson 61 Clemson 46, Woke Forest 43 Duke 86, Maryland 68

Duka 84, Marykond 83.
E. Carolina 75. George Mosco 67.
Furmon 81. E. Teonessee 52, 74.
Georgia 91. Mississippi 75.
Kentucky 74. Tennessee 57.
Alemohis 52. 79. Alissouri 68.
Mississippi 53. 44, Vanderbilt 60.
Misray 51. 67. E. Kenfucky 53.
81. Canalina 52. 52. Unitable 85. R. Carolina St. 55. Virginia 53 Navy 75. William & Mary 68 N.C.-Wilmington 83. James Medison North Carolina 85. Georgio Tech 77 Southern U. 91. Texas Southern 26 Southern U. 71, Texas Southern 2 St. Louis 54, Defroit 53 Virginia Tech 88, Florida 81, 73 W. Corolina 57, VAII 58 W. Kentschy 81, Ala-Birminghon Xavier, Ohie 16, Orol Roberts 74

MIDWRST Boll St. St. Cent. Michigen 54 Brodley 74, Creletrion 54 Butler 78, Chicago St. 74 Cladanell 52, Dayten 77 Drake 44, S. Hilhels 43 E. Michigan 43, N. Hila Illinois \$1, 77, Indiana \$1, 75

Kent St. 84. Bonding Green 72 Kenyon 69, Decision 66 Milomi, Obin 68, W. Michigan 60 Michigan St. 7L Michigan 79 ska 75, lower St. 58 Northwestern &5, Jove Weste Oberlin &9, Cosa Western 73 Opini as, Cosa Wesperi 73 Ohio St. 72. Purdue 66 Oktohomo St. Kanaca St. 88 Oktohomo St. 63. Calorado 76 S. Dekelt 42, S. Dokoto St. 60 Toledo 100, Ohio U, 15

Abiliana Christian 75, E. Texas St. 52 Houston 71, So. Mathedist 66 Houston 71, So. Methodist & Lomor 65. Arkensos St. 61 and Tech 72, Texas-Ariling Louisiana Tech 72, Texas-Arlington 62
ME Louisiana 79, N. Texas St. 56
Pan American 84, Texas-San Antonio 77, CT
Phillips 54, Oktoherna Christian 52
Sont Houston 52, Th. MV Louisiana 63, CT
Shaphan F, Austin 22, SW Texas 65
Texas ABAM 68, Rice 25
Texas Christian 62, Texas Tech 55
Tuba 69, Wichita St. 58

Artzona SS, Orașon 68 Artzona St. 71, Orașon St. 56 Brighom Young 17, Which 49 Cal-Davis EL Socramento St. A3 Colitornia 75, UCLA 67
Denver 73, Sunto Fe 63
Loyota, Cotif. 76, Sen From
Montona 75, Boise St. 66 Monttone St. 70, Idebo 69 N. Arizona 65. Weber 51. 57 N. Artona 65. Vieter St. 57
Nev-Los Veges 72. Long Beach 57
Pacific 61, Utah St. 60
Peoperatine 64. Santo Clara 48
Pager Sound 62. E. Monitona 58
Son Jose St. 45, Freeno St. 45

TOURNAMENT iffe Costie Classic First Round Stoten (signd 37, Sotisbury St. 27, OT

### iation Standings

ı	National B	asketba	ПA	880	ciation Standings
l		CONFEREN	CE .	Detrett 74 25 27 35—129 Dolles 35 34 24 36—139	
и		WL	Pct.	66	Tripucko 12-17 6-4 22, Thorses 12-19 3-4 28;
	Section '	32 5			Aguirre 14-23 7-12 35, Vincent 4-11 7-7 23, Re-
н	Philipdelphia	29 14	474	414	bounds: Detroit 56 (Lakebeer 16); Dellas 44
	New Jersey	24 19	578	21/2	(Aguicre, Horner 7), Aguists: Detroit 39
	Washington	35 21		11	(Thomas, Dumars 12): Delias 17 (Blackman,
	New York	15 29		19	Harper 4).
		of Division		•••	Sun Autonio 26 20 22 26-113
	Milwoukee	30 15	467		Denver 21 25 26 24- 98
	Afforda	24 16	571	495	Gitmore 7-10 9-10 23, Milchell 9-18 4-4 227
r	Defroit ·	31 23	477	EV-	Evans 7-159-015, English 7-18 0-8 14, Hanzilk 4-
L	Cleveland	10 25		11	7 4-7 14. Schoven 7-13 0-0 14. Recounds: Son
r					Anfonio 44 (Glimore )9); Denver 45 (English
	Chicago	34 22 12 31		131/2	12), Assists: San Antonie 36 (Mottnews 11);
				17	Denver 22 (Lever, Honzille 5).
		CONFEREN	4.5	LA, Lekers 26 22 22 24—167	
		st Division			
	Houston	30 14	_	_	
	Deriver -	· 25 19	-568		M.Johnson 8-11 4-5 22, Nimphius 8-13 3-5 19;
	Son Antonio	24 21	.533	61/2	Worthy 11-19 4-4 26. Abdul-Jobber 11-18 3-2 25.
÷	Dallas ·	- 29 21	.4M	2/4	Rebounds: Lokers 44 (Worthy 11); Clippers
ŧ	Utoh	.22 24	.478	,	44 (Nimphius 18), Assists: Lokers 32 (Cooper
	Socramento .	14 28	.364	14	13); CRepers 10 (ALJohnson, Nixon 6).
-		ic Division			
	LA Lokers	, 22 10		_	SATURDAY'S RESULTS
	Portland	20 19	576	414	Defroit 24 34 27 29-112
	L.A. Clippers	17 29	.370 .	17 .	Housian 24 31 26 39—117
	Section	14 28	.344	77	Oksiveron 11-21 5-4 27, Reid 8-16 3-4 19; Thorn-
	Phoenix	15 27	.357	17.	as 16-23 5-4 27, Tripucka 7-14 4-4 29, Rebounds:
	Golden State	14 34	.272	ข	Defroit 56 (Epimbeer 15); Houston 58
Ī	· FR(DA	Y'S RESULT	5	· (Okriveon 15). Assists: Detroit 39 (Thomas	
ı	Golden State	27 24	28 34	-114	9): Housian 33 (Lucas 9),
ļ.	Destas ·	. 27 24	24 42	-135	Phoenix 22 22 27 27-114
ŗ.	Bird 10-14 4-4 25, V				Chicago 35 26 26 36—135
ı	. 10-173-424 Floyd 8-				Wookidge 78-27 7-18 44, Green 10-20 7-10 27;
	en State 55 (Smith	121: Bouton S	(Wark	mor .	Davis 14-27 1-2 30, Edwards 7-11 9-11 21, Re-
-	13), Antists: Golder			boweds: Phoenix 48 (Nonce 10); Chicoso 48	
	ton 24 (Johnson 7)				(Green 11). Assists: Phoenix 22 (Adoms 5):
-					Children De Catalan at

ton 36 (Johnson 7).
New York 27 24 35 22—100
Affente 38 35 22 22—117
D.Willehm 14-24 8-4 36, Willeh 8-10 5-7 15, Wildirosat 7-11 1-2 15; Ewleng 9-12 6-22, Corr 2-3 7-6 11.
Carrhwright 3-4 5-8 11, G. Wilfelm 8-11 3-6 11.
Rebessedin: New York 40 (Balley 6); A Stanta.
61 (Rollins 12), Austob; New York 22 (Sporrow 5); Attembo 27 (Rivers 16).
Althoustos 29 35 21 23—17.
Indiaea 27 17 30 22—92
Committing 9-17 4-4 23, Montarie 6-11 6-7 18; MTMonthes 27 34 27 22—117 , hadised 27 17 30 22— 92 Currentinus 9-17 4-4 23, Monterfel 4-11 4-7 18, Fisciale 7-13 7-2 14, Richardson 6-9 3-4 15, Re-Jounds: Milwaukee 52 (Dovie 13); Indiana 27 Kellopp 111. Assists; Milwoukee 31 (Pressy

Chicaso 29 (Macy 2),
Dettes 27 (Macy 2),
Dettes 27 (Macy 2),
Dettes 27 (Macy 2),
Dettes 27 (Macy 2),
Son Androis 28 22 28 27—167
Assiste 13-22.4-7 30, Blackeroon 12-21 5-4 29;
Roberthon 18-17 3-3 23, Mitchell 3-14 2-2 18,
Robbuste: Detics 46 (Doundloon 7); Son Antrois 29 (Gilmore 12), Assists: Dollos 30 (Aveirre, Horner 41; Son Antrois 28 (Machines 9),
Altenda 31 2-2 28—162 Michigan 16-27 4-7 38, Molores 12-20 5-7 29;
Wilkins 12-30 11-12 38, Konook 3-15 3-4 19, Writhmon 9-71 2-19, Resbusta; Alfornto 14 (Konotk 21); Washington 51 (Robinson 11), Assists:
Afforda 14 (Bottle 5); Washington 17 (G.Williams 6). 24 25 24 22—121 24 21 10 29—114 Cheeks 12-17 4-4 30, Matione 11-17 6-8 28; Pre-11-21 5-7 25. Turpin 13-22 3-5 26. Rebeateds Johlo 44 (Barkley, Ma Tetale 8-143-5 17, Short 9-21 1-) 17, Rebounds: Golden Stote 53 (Smith 11); Indiano 42 (Tis-duly 13), Assists: Golden State 21 (Floyd 10);

### NBA All-Star Teams

Totals in fan voling for storting positions in the 36th annest Hotlonel Basissifical Associa-tion all-clar gents, to be played Feb. 7 of the Resenter Arms in Deliver. EASTERN CONFERENCE

Centers: 1, Mases Addime, Philodelphia, 615,897.2, Patrick Bwing, New York, 344,843, 2, Jeff Rutand, Washington, 294,514.4, Bill, Laim-beer, Detrott. 244,728.5, Robert Parish, Seston, Ferwards; ), Larry Sind, Basiss, 702,440. 2.
Julius Erving, Philodelphia, 294,875. 3. Kelly Trisucio, Detroit, 411,632, 4, Dominique Nos. Atlanto, 36355, 5 Kevin McHale, Ba

George: 1. Michael Jordon, Chicago, 719,143, 2, (sion Thomes, Defroit, 666,613, 3, Sidney Mond Milwoukes, 503,104, 4, Dernis, Johnson, Res

WESTERN CONFERENCE Centers: 1, Karman Abdul-Jabba Lakers 444.734. 2, Akeem Cialuwen, H 434.294. 3, Artis Ollmons Son Antonio, G4294.3; Artis Gilmoris Son Antonio, 306,699, 4. Weyne Cooper, Denver, 253,546. Perwards: 1. Rotch Sompson, Hopston, 516,007. 2. James Worthy, L.A. Leitere, 461,628. 2. Alex English, Denver, 478,172. 4. Alike Altho-ell, Son Antonio, 351,471. 5. Marques Johnson, L.A. Cilpoers. 38,239. AL Cilopera 34231.

AL Cilopera 34231.

Generis: 1. Eorvin Johnson, L.A. Loleri, 1.000,192.

2. Alvin Robertson: Sen Anthonic, 241752.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.000,192.

1.

(Drisoer 14); Sporomente 3; (Treus 12); Meter Jersey 30, 34: 22: 22-99; Seelfte 22: 33: 22-94; McCharlet 19:20: 2-22; McCormict 6: 7-819; Wood 6: 12:74: 17; Gminett 7-11:3-4: 17; Birdsong 8-12:1-2: 17; Danktins 6-5-7: 17; Richardson 6-45-6: 13; Rebeends: New Jersey 32 (Williams 11); 6 13. Rebeards: New Jersey 22 (Williams 11); Sentile 26 (Silama, McCormick 7), Assists: New Jersey 10 (Birdsons, Richardson 6); Sentile 31 (Wood 7).

Desver 31 26 22—127

LA. Lakers 31 22 27 35—115

Einstish 8-16 4-5 26, Nett 7-14 4-4 12; Abdul-Jobbor 8-16 19-12 26; Wierthy 9-16 6-6 18, Rebounds: Denver 42 (W.Cooser 13); LA. Lakers 42 (Rombis 18), Assists: Denver 22 (Lever 10); LA. Lakers 29 (Abdul-Jobbor 9).

LA. Chipers 32 (Abdul-Jobbor 9).

LA. Chipers 32 (24 Abdul-Jobbor 9).

Decitor 9-17 6-6 24, Roberts 7-19 6-8 22 Val-continer 9-17 6-6 24, Roberts 7-19 6-8 22; Val-contine 3-11 7-7 37, Bridgemen 6-12 4-8 16. Re-beyonds: L.A. Clispers 45 (Bridge-cumn'); Und 63 (Molone 11), Assists: L.A. Clispers 15 (Rib-

# Secular Humanism and Flaky People

By William Safire WASHINGTON — "Do you know what secular humanism is?" asked Norman Lear a few months ago in a letter.

A spokesman for Lear's People for the American.
Way says, "Trying to define secular humanium is like trying to nail Jell-O to a tree." The organization. sought to show that the phrase has no widely accepted meaning and thus did not belong in legislation.

Definitions do vary. Secular humanism, to the evangelist James Kennedy, is a "goffless, atheistic, evolutionary, amoral, collectivist, socialistic, communistic religion" posing a threat to schoolchiddren. To Michael Person and Communistic Communication Communistic Communication Communicati chael J. Rosenberg, editor of Near East Report, "Secular humanist has become the new label employed to indict anyone who opposes school prayer, believes in evolution, or disagrees with the religious right's views on abortion." Roy R. Torcaso, an outspoken atheist who was plaintiff in the 1961 case in which the phrase was popularized, and is one of the few people who still calls himself a secular humanist, cites the definition. given by Corliss Lamont in his book The Philosophy of Humanism," "joyous service for the greater good of all humanity in this natural world and advocating the methods of reason, science and democracy."

I would describe most secular humanists as ethical atheists who try to do good without believing in God. But that is not "the" definition, as many humanists are agnostics, and some who accept the label are churchgoers. No pop lexicographer can lay down the law on what the phrase means; I can only report what dispu-tants say it means, and put forward a definition that encompasses its different senses.

In 1984, Senator Ortin G. Hatch of Utah wrote a paragraph in an education bill saying that federal money for magnet schools may not be used "for courses of instruction the substance of which is secular humanism." Last year, the U.S. Department of Education decided not to define the term, but to leave its definition up to local schools. That raised a further ruckus. Hatch's spokesman explained the intent of the original phrase in the legislation was to make sure that original primate in the regulation was to make state and not get into "soft stuff" such as personal values or courses in lifestyles; the controversial phrase was dropped in the current legislation. The civil-liberties groups, and Lear, won this round.

The phrase was probably taken from a footnote in the decision written in 1961 by Justice Hugo L. Black in Torcaso vs. Watkins, which in turn was taken from an amicus brief in that case written by Joseph L. Blau, professor emeritus of religion at Columbia University. The footnote's point: "Among religions in this country, however, which do not teach what would generally be considered belief in the existence of God are Buddhism, Taoism, Ethical Culture, Secular Humanism and others."

Go back further, to 1952, and an essay by C. Wright Mills: "Liberals have repeatedly articulated a secular humanism, stressing the priceless value of the individual personality." The first citation in Merriam-Web-ster's files is from a religious work in 1933, William G. Peck's "The Social Implications of the Oxford Movement," in which secular humanism is opposed to Catholicism: "In face of this secular humanism, the return of the Oxford leaders to Catholic doctrine and nion the

practice accessarily signified a criticism of the significant for a portion of a po

How does this etymology help us understand to furor raised by the phiase?

Secular is an adjective that means "worldly, no religious or other worldly"; humanism is "a conc." for the human condition." The modifier secular phasizes the nonreligious character of the fuzzy not humanism. I think the phrase was construed by growing number of clergymen, especially evangeli to be a emphemism for atheism.

No doubt, a goodly number of secular hum-are atheists; to them, however, the phrase subatheism in a much broader philosophy of values stressing individualism, acting rightly unvated by the lear of God or promise of Heaven.

That broadening made secular humanism an c more inviting target to preachers than atheism, t-cause "godlessness" had been denounced so heatedl for so long. Here was a way to slam opposition to prayer in schools, to eastigate sex education in schools to biast abortion — all potent social issues — while mixing in disapproval of the drug culture, permissiveness, pomography, short skirts and live-in lovers, and tying all these in to a rejection of belief in God. The target was Heaven-sent, or heaven-sent, as you prefer.

People who disagreed with many fervent religionists on one or more of the social issues but who firmly believed in God, resented being lumped in with atheists and all the others. They saw secular humanism as a linguistic bludgeon, a chance to beat over the head all who oppose "the religious right" with a club incorporating all the issues.

That's what the fight over a phrase is about secular humanism may be defined as: 1. a philosophy of ethical behavior unrelated to a concept of God; 2. a characterization of an emphasis on individual moral choices as having the common denominator of atheism; 3. an attempt to besmear political opponents by impugning their faith in God.

It's a bare-knuckles fight, and etymology, lexicogra-phy and semantics are right in the middle of it.

PRESIDENT Ronald Reagan in a news conference called the Libyan leader, Moamer Qadhafi, "flaky," Although Shakespeare used the adjective in "Richard III" to describe the breaking of dawn — "and flaky darkness breaks within the east" — the word in the control of "off-heat eccentric," was its current slang meaning of "off-beat, eccentric," was first reported by Leonard Koppett in The New York Times in 1964. Baseball players like Joe Pepitone, Jim Bouton and Phil Linz were said to be flaky.

The term appears to have replaced kook as a synonym for "nutty," although as Reagan pointed out, it is not used to mean "mentally deranged," a goore serious affliction. It is sometimes spelled flake, to ensure pronunciation with a long a, to differentiate it from flak, meaning "criticism."

The last time flaky was used politically was in derogation of Governor Jerry Brown of California, who responded vigorously by denouncing those in favor of building bigger nuclear power plants: "They are the flakes."

New York Times Service

Place Your Classified Ad Quickly and Easily

INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local lift? representative with your test. You will be informed of the cast immediately, and once prepayment is made your as will appear within 48 hours.

Cests. The basic rate is \$10.60 per fine per day + local taxes. There are 25 letters, signs and spaces in the first line and 36 in the following lines. Minimum space is 2 lines. No abbreviations accepted.

Credit Cardie: American Express, Diner's Club, Eurocard, Moster Card, Agree and Visc.

LOW COST FLIGHTS

TO NY \$195 1 way, \$368 return, fissel date. West coast daily departure \$295 1 way, \$569 return. Many other gateways ovariables. ITS, 103 ret La Boefie, Paris B. Metra FDR. 4225 9290

SERVICES

BALLERINA - Private Aerobic Instruc-tion NYC. For further information call 212-734-9240.

PAGE 15

FOR MORE

CLASSIFIEDS

LATIN AMERICA

Buence Aires: 41 40 31 (Dept. 312) Cerroces: 33 14 54 Gorrycerysh: 51 45 05 Lines: 417 852 Parassace: 67 09 75 Serblages: 6761 555 See Paulo: 852 1873

oke 241293.

MIDDLE EAST

# Charlie Chaplin, Gossip, Clairvoyants and the FBI

By Irvin Molocsky New York Times Service

Washington — In pre-W paring his latest hiography, David Robinson, a British writer, asked the U. S. Federal Bureau of Investigation for its records on his subject. He was pleased that the FB1 responded so quickly, within about nine weeks, and surprised by the extent of the federal inves-

It couldn't happen again, says Thomas H. Bresson, an official of the agency's records division. "We will not collect any information that is not relevant to our purpose," which he defined as investigations of violations

tigations: 1,900 pages from bu-reau files on his subject, Charlie

of federal law.

Robinson was also astonished by "the degree of sloppiness and stupidity that many of the reports reveal," by the bureau's reliance on information on the comedian provided by the gossip columnists Hedda Hopper and Louella Parsons, by the bureau's seeming fascination with Chaplin's sex life and by exaggerated reports of the comedian's contributions to left-

The Chaplin files, Robinson added, indicate that the FBI collected "every possible thing" on Chaplin and maintained an interest in him until well after his death in 1977. But Robinson said what was in the file was "absolute rubbish" and contained no proof of the FB1 suspicion, first publicized in the 1920s, that Chaplin was a Communist

**ANNOUNCEMENTS** 

REWARD for films of Armenium Geno cide (c. 1915) that become part of Ti documentary. Contact S. Mottas WG8h18aston, The 7103006887.

ALCOHOLICS ANONYMOUS in English, Ports (darly) 4634 5765, Rome 678 03 20.

PERSONALS

HAVE A NICE DAY! SOKEL Hove a

DIGGSNESS-I LOVE YOU, COME back soon, Poops

MOVING

**ALLIED** 

VAN LINES INT'L

USA Affied Von Lines Int'l Corp (0101) 312-481-8100

Or call our Agency European offices

(01) 4343 2364
FRANKFURT Services, LM.S. (069) 250066

DUSSELDORF/RATINGEN

ONDON American (o1) 953 3636 Call for Alled's free estimate

ea/ar, car, baggage, all coun

REAL ESTATE

FOR SALE

FRENCH PROVINCES

COTE D'AZUR, VENCE panoramo vew, nicely restored stone Mas, 10 rooms, independent operanent, 2,600 sq.m. land, pool. F2,900,000 Fromo-tion Masser Le Ruhl 0,6000 Nice, Tal-93,88.37 37 Telen 4/51235

MUNICH

(089) 142244 LONDON

(02102) 45023 LM.S.

OVER 1300 OFFICES WORLDWIDE

Today the bureau says the investigation of Chaplin, who lived abroad much of his life but toward the end returned to the United States to be honored for his work in films, was part of an era that it wants to put behind it. It cannot happen again, the bureau says.

Thomas H. Bresson, a deputy assistant director in the agency's records management division. said, "We will not collect any information that is not relevant to our purpose," which he defined as investigations of violations of fed-

He suggested that the extensive Chaplin file was a consequence of the interest of J. Edgar Hoover, the longtime director of the bureau, in keeping abreast of such things. "We wouldn't be able to do something like that today." Bresson added, "because it doesn't relate to any investigative purpose.

Robinson, whose recently published book, "Chaplin: His Life and Art" (McGraw-Hill), was praised by reviewers, is the film critic of the Londoo oewspaper The Times. Reached at his London home, he said he had obtained the file through a request under the Freedom of Information Act filed for him by a New York lawyer, Charles L. Mandelstam, but had sought the material too late to include in his book

other than as a brief appendix. Robinson and Mandelstam, who represents some clients in the movie industry, said it would be interesting to see bow the FBI had handled investigations of other celebrities. Does the FBI agree? Are there other files of celebrities

as voluminous as Chaplin's?
"I don't know," Bresson replied, adding that files were not indexed by bulk. But he said the bureau was committed to following the letter and spirit of the Freedom of Information Act, making requested files readily available despite an already heavy flow of requests.

Chaplin makes his first appearance in his files on Aug. 15, 1922, wheo he attended a Hollywood reception for the American Communist leader William Z. Foster, whom Robinson describes as "a prominent labor leader," which he also was. The F81 report says that an agent named A. A. Hop-



The FBI file on Charlie Chaplin contained 1,900 pages.

kins reported that Chaplin spoke out at the reception against censorship of films.

The investigation of Chaplin's sex life included bugging his hotel rooms, and was spurred by charges by Joan Barry, a young actress, that Chaplin was the father of her unborn child. That investigation eventually filled 400 pages. A blood test taken after Barry gave birth showed that Chaplin was not the father.

The London-born comedian got into a dispute with U.S. immigration officials and chose to live from 1952 onward in Switzerland with his wife, Oons, the daughter of the playwright Eugene O'Neill O'Neill had objected vigorously to the marriage in 1943 of his 18-year-old daughter to the 54-year-old Chaplin.

In 1972, five years before his death, Chaplin returned briefly to New York to accept a special Os-car from the Motioo Picture

In reading the 1,900-page fed-eral file on Chaplin, Robinsoo said be found that the exchange

between the FBI and gossip col-umnists was a two-way street. lin's body in a basement in West Germany, Robinson said, reading The FBI was not only using from the file. All of the clairvoy the gossip of these viperish ladies ant's information was carefully taken down by the FBL

as evidence," he wrote, "but was also feeding information to them." One such memorandum to Parsons carried the notation. "To be destroyed after action is taken and not sent to files," but it did find its way somehow into the

Asked if an exchange with gossip columnists could happen at the FBI today, Bresson said, "In current days, we are not in the habit of collecting gossip from anyone." Of feeding derogatory information to columnists, he said, "It is inconceivable in this

Robinson's Freedom of Infor-

mation Act request showed that the FBI's interest in Chaplin reached beyond death, since the last entry occurred in 1978, after grave robbers stole his body from a cemetery in Switzerland on March I and held it for ransom. The bureau's office in Maine

ant had said she envisioned Chan-

SECRETARIAL POSITIONS AVAILABLE

MINERVE SER'S for AMERICAN FIRMS in PARIS: English, Selgion, Datch or Germen secretaries, knowledge of Franch required, English shorthand. Blingual televists. Write or phone. 138 Avenue Victor Hugo, 75116 Puris, France. Tel. (1) 47 27 61 69.

ECCO TT - 46.08.51.01

BILINGUAL ENGLISH

SECRETARY

For ST. CLOUD, FRANCE

Don't min PATERNATIONAL SECRETARIAL POSITIONS

**TUESDAYS** 

SECRETARIES AVAILABLE

COCKING FOR TOP BILINGUAL par-sonnel Coll the respects GR INTERIA. Mrs Record 42 25 59 25 Paris

AUTOMOBILES

FERRARI MONDIAL 3.2, 1985 red, with poloniero interior, 4 passanger, 2,800 km. Switzerford (25 / 35 41 65

**AUTO SHIPPING** 

EANSCAR 17 ov de Friedland, 75006 Poris, Tel 4225 6444, Nice, 9383 9533 Automp 233 9985 Comes 9339 4344

in the IHT Classified Section

had pursued a tip from a clairvoyant. "We were just a conduit, fur-nishing information," he an-swered. Does the bureau normally deal with psychics? No, but in some investigations, we run them down. I wouldn't received a report that a clairvoy-

on March 17.

"She stated that the body was

stolen by two men and one wom-an," Robinson read. "She stated

that one of the men was named

Shooeman or Shooemann. How

ever, she did not receive a good

vision of this person and could oot describe him further."

The information, stamped "Se

cret," was relayed to the FBI of-

fice in Boston, then to Washing-

ton and finally to Bonn, where the

bureau's representative passed it along to the local police. The body was in fact in Switzerland

and was recovered by the police

Bresson was asked why the FBI

**AUTO CONVERSION** 

EPA / DOT

CONVERSIONS

Customs bruierruge-Vornting service
Pick-up & delivery crywhere in the
Eostern U.S. & Texos
Professional work using only the
inghest quality components
GUARMAGNE SHAPOLETS NC.,
2294 North Rene Rd., Hofffeld,
PA. 19440, USA Tel: 215 822 6852
Telex. 4971917-CHAMP

AUTOS TAX FREE

TRASCO

LONDON

The Mercedes Specialist

Skrakhad Listourinet Amoured Cars Coachbuilt Cars IPA & DCT 100 Units is Stack Direct from Sources Warldwide Delivery.

Teh (44) 1 - 6297779 Telex: (51) 8956022 Tres G

BUSINESS

C.C.M. LTD

LOW COST FLIGHTS ACCESS - MID WEST

and more destinations — 15% discount on 1st class PARIS tel: (1) 42 21 46 94

TRANSCO

D-6000 Frankfurt/M TEL (0) 69-73 30 61 TLX: 414018

LES AUTOMOBILES **EXTRAORDINAIRES** EXCALBUR, STUTZ, ZIMMEN, NSEN, ALL GM U.S. PRODUCT Other Presignous Automobile

MERCEDES SPECIALISTS

FOR USA + MIDDLE EAST

NASSAR EXPORT GMBH,

Landstr. 191

**ICZKOVITS** 

Ocridenstrame 36, CH-8027 Zerich Tel: 01/202 76 10. Teles: 815915. EUROPORT TAX FREE CARS Cell for Irea catalog. Box 12011, Rotterdom Airport, Holland Tell 010-623077. Tra 25071 EPCAR NL 65-67 Park Lane, London W.1. Unidicating Cits. All TYPES -competitive prices. Transmundi Bul-gium. Tel: 32-3-384.10.54. Tb:: 32302 Transm B. · AUTOS TAX FREE

THE LARGEST SHOWBOOM
AND STOCK IN LERCHE
Keeping a constant stock of nore than
200 brand new cors of oil European +
Jopanese makes compatively priced.
Text free sales-diagnost immunities
Sand for motitoolor free catalogue.
Transco SA, 95 Noordaloms,
2030 Antwern, Balcium Tel 323/542 6240 Tx 35207 Tres

**OCEANWIDE** MOTORS GmbH

Since 1972, experienced or trader for Mercudes, Punche, BMW, Jeguez, Im-mediate believe; Import/export, U.S. DCT & BA, shapping for-tourist and declar. Oceanwide Maters Gethil, Tersteegement, 8, 4 Dusseldorf, W. Germany (I) 211-434646, fix 8587374.

NEW 86 MERCEDES 500 St. white/ leather with full US options. Call Bel-gium 32/3/232-63-53 NEW CARS, oil from stock, P.C.Y., Seiglam, Tel: 03/231-59.00, Tx 35546, Indialni 147 - 2000 Antwerp.

HEALTH SERVICES women including nose refrement, as correction, breast enlargement or re-doction, form lifts, eyebog/eyalid cor-rection, hor intemplerating. The Possis By Clinic, 20-26 Stores Rood Houselow, West London, TW3 31S Tel: 01-570 9658.

OFFICE SERVICES

PARIS

neer CHAMPS ELYSES

PURNISHED

**OFFICES** 

VERY HIGH CLASS

CONTERBACE BOOM SECRETARIAT - TELEX, FAX (E SATELLITÉ, & roe Copernic 73116 Porie. Tel:(1] 4727 1559

PARIS

SETVICES
CLLP
CLLP
BC Avenue de la Grande Armée
75017 Paris, Tel: 45 74 22 19

Telese 660 261 F dig

PERMAPHONE

WELL KNOWN SINCE 1965

Furnished offices, teles, most previously service, domicilisation company formation, etc. for further information, please context us of "extraptions, 76 Change Bysess, Paris Bh. Phone: (1) 43 57 48 04, Tis. 660364 F

Fully equipped offices
 for recentily rentals
 Bilingual secretories
 hourly
 Mail, phone and teles.

HEAD OFFICE Paris: (For classified only): (1) 46.37.93.85,

> EUROPE Athena 361-8397/360-2421. Brumale: 343-1999. Copenbagen: (71) 32 9440. Finland: 647412. Frankfurt: (067) 72-67-55. Lausgant: 29-58-94. Lisbon: 67-27-93/66-25-44

London: (01) 836-4802. Mardrid: 455-2891/455-3306. Milan: (02) 7531445. Norway: (02) 41 29 53. Rome: 679-3437. Sweden: (06) 7567229. Tel Aviv: 03-455 559.

es Contact Frankfu UNITED STATES New York: (212) 752-3890

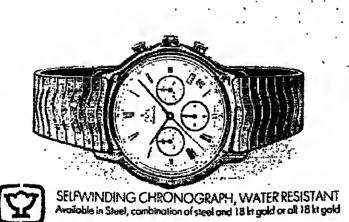
SOUTH AFRICA

Bryamston: 421599.

Jurden: 2412/3. Jurden: Ammen 62430. Kawati (kaf. Behrain 241293). Lebanon: 341 457/8/9. Quitar: 416535. Saudi Arabia: ah: 667-1500 Turkey: Istanbel 1474734. U.A.E.: Dobai 224161. FAR EAST Bungkels: 390-06-57. Hong Keng: 5-213671. Johanne: 510072. Marsile: 817 07 49. 5-eout: 735 87 73. Singapone: 222-2725. Telwen: 752 44 25/9. Telye: 504-1975.

AUSTRALIA Malbourne: 690 8233. Systems: 929 56 39, 957 43 20. Perito 328 98 33. Peddington, Queensland: 369 34 53.

# The Architects of Time



GUBELIN

Lucerne, Zurich, Geneve, Lugano

Berne, St-Morttz, Bide, New York

### INTERNATIONAL CLASSIFIED REAL ESTATE **AUTO RENTALS EMPLOYMENT AUTOS TAX FREE** TO RENT/SHARE

	1
REAL ESTATE FOR SALE	
PARIS & SUBURBS	3
PROFESSIONAL SALES AND MANAGEMENT operments evoluble for for ord investors interested in a real PASE without responsible management NEW GESTION 82, ove. de la Republique, 7501 48 07 20 88	
PORTE MARILOT Double So	~

MOUGRS, SUPERBLY RESTORED 400 sq.m. Provençal villa welt care-taker's house, various contents, pool & pool house, 24,800 sq.m. of park land, beautiful view of sea and Esterel. Iustificity priced F15 M. Call Bob on 93 38 19 19. SSI, 47 La Crosette 06400 Carries. Voltey of Scribe (72), 12 rooms, of considers, outsideling, parage, land-scoped part, 3 ha lend. Available in 5 years, F480,000 + F4,800 monthly 75008 Poris. Tel: (1) 42 66 19 00. bedrooms, 2 boths, garage, bulcony F2,400,000. OPTIM 45 62 03 03.

DWNER SELIS, CANNES 150 m. Croisette, exceptional duples 90 sq.m., F750,000, Redone, equipped latchen, Paris (16) 1- 45 04 81 47. SWITZERLAND

REAL ESTATE

FOR SALE

FRENCH PROVINCES

LAIGE GENEVA + LIIGANO, Mon-freux, Critosol region, Locamo & many mountain resorts etc. Foreigners can bay superto new apostments dri-bets/villos. All prices. Large choics. Swiss residency possible. H SEOUD S.A. Tour Grise 6, CH-1007 Lausanne 21/25/26/11, Lugano office 91/68/649 & INDUSTRIAL

SUMMIT, N.J. 3 story building, 9 ness zone, 201-273-4624. PARIS & SUBURBS CELE ST CLOUD (78). Most residential Ports western suburb, close to American and English schools, out standing brand new 14-room house on two levels, 2500 sq.m. garden, 7 bedroonst, 4 holis, huge reception

NEAR HOTEL PLAZZA Very languious, large reception + 1 bedroom, high price. Tet 45 25 11 03 or 43 33 53 03.

**ELYSEES** CONCORDE SHORT TERM RENTALS everliable from 1 week converti ASP, 9 Rue Roycle, 75006 Paris Tel. [1] 42 65 11 99. Telex 6402731

Pred-o-terre, bathroom, F4500. Tel: 45 63 68 38.

FOCH, SUPERB

REAL ESTATE TO RENT/SHARE 4563 2560 GREAT BRITAIN LONDON, NEAR BUCKPHGHAMA
Petrocs, superbly furnished 2 double
badroom flot to let for short term
penod (I week to 3 morthid, Rentel
fundading varisport to 8 from oxport
if required USS600/week. Tol. Mr Kright, 0925 74753 or 0935 862120. 74 CHAMPS-RYSEES 8th Studio, 2 or 3-room operament One month or more. LE CLAREGE 43.59.67.97.

8TH, AVE. MONTAIGNE: Laternous 2/3 rooms, P2,000, 8th Champs Bysee: 3 rooms, F13,000. 16th Eastman; 5 rooms, new, porking, F13,000. Tel: 42 25 32 25. LONDON. For the best furnished flots and houses. Consolt the Specialists. Philips, Ray and Lowis. Tel. South of Part 332 8111, North of Park 722 5135. Tolex 27846 RESIDE G.

SHORT TERM STAY. Advantages of a hotel without incurveriences, feel of home in nos stodios, one bedroom and more in Parts. SORE IM. 30 rue de l'Université, Ports 7th. 4544 3940 HOME Finding PARS SERVICE. Invo fides F400/day, Mantenarire F6500 Lucury flats. Tel: Paris 47 04 29 27 CHAMPS BLYSBS, beautiful 2 rooms, 62 sg.m. Learny 3 / 4 months, P9,400/month, 45 04 02 93.

PARIS AREA TINETIRNISHED

**Embassy Service** 

YOUR REAL ESTATE

AGENT IN PARIS

4562-7899

AT HOME IN PARK

UDREMBOURG RUE DE TOURNON, charming 2 rooms, about 40 sq.m. Tel-45 25 11 03. NEBILLY. Near Maillot, Lovely living, dining, 2 badrooms/baths, well far-nished & equipped F11,500; 47203/99 6TH RUE DE SEINE. Chorning fiving + 1 bedroom, becantully favorated, light & quiet. F7,000, Tel. 47 20 37 99 TUDIO TO 4 BOOMS, Week, monity year rates, Lunarabourg & Montpo nosse, No agency fram, 4325 3509.

leth, AUTEURL Charming studio, latchen, balcony, sun. Tel: 45 25 83 27. STH, 3-room flet, very mas. F5,500, short term or longer. Calk 43 29 66 06 ROCADERO, HIGH CLASS, 2 rooms, sunny, Tel: 46475282 / 45634275. PARIS AREA UNFURNISHED PROCADERO, Elegant large double frung, study, 2 bedrooms, new fully equipped tatches, perfect condition, surery, F12,000; Tel: 47 20 37 99

FI0,000. Tel: 4534 3722 (11-3). RANELAGH. Large 2 rooms, F4900 net. Tel: 47 20 94 95. REAL ESTATE WANTED/EXCHANGE

AGENCE DE L'ETOILE

REAL ESTATE AGENT Appartments & officer, sale & rect Tet, 43 80 26 08. The 643310 POR ITS PRESIDENT, company seek manamam 200 sg.m., undurvished opportment. 3 year lease starting February 1st or Month 1st or Connes, well 1460 vision, Tele 92 49 63 88, Teles 230286 F.

US JOURNALIST seeks 3-room flot, prefer 17th, Cell Monday 2pm - 6pm of 46 37 93 00 Ext 4113 EMPLOYMENT EXECUTIVES AVAILABLE 6 years expension, distributor, reprogramment, sales, mor lesting, OSM, US government sales. Reference, reloculon possible. Coll Belgium 322 / 6409158. Thi 62220 Lambo B.

GENERAL POSITIONS FINANCIAL MANAGER FOR non-profit-moling organization, English mother tangue. Requires strong back-ground in accounting and natural py-tems. Part-time flamble hours. Places coll 43 59 17 61 Paris.

GENERAL. POSITIONS WANTED YOUNG WOMAN, 10 years expen-ence TV/cinema, USA/Para, seeks pib as production assistant, fluent En-gisti, franch, Scandanwan, German. Please call Para 43 37 84 91. SGYPTIAN 24, advected, muhlinguol, Mosters in psychology, seeks position, con travel. Tali Ports 42 27 64 97.

ATTENTION EXECUTIVES Publish your business mes in the international Herok is the histornational Heards is in the historna electron as the street of a million reactors were wide, most of whene are in business and industry, wire at it, but takes as (Par 613595) before 10 a.m., as suring that we can takes ye hack, and your message we appear within 48 hours. Train is 12.5 510.60 or less approximate per filon. You million the backers or approximate per filon. You million the backers or complete and work while billing address.

**OPPORTUNITIES** OFFSHORE & UK

LTD COMPANIES LTD COMPANIES

terparation and monogement in UK,
terparation and monogement in UK,
ter Man, Turks, Angelle, Charnel
terds, Pasons, Libera, Gibratior and
test offer offerore creas.

\*\*Confidential advice
\*\*Introduce creation
\*\*Endougher of the confidential advice
\*\*Introduce creation
\*\*Endougher of the confidential advice
\*\*Accounting & advantance
\*\*Exercised Components
\*\*SERCI COMPONENT
\*\*SERVICES LID
\*\*Head Office

Head Office Ht Flowent, Dougles, late of Man Tel: Dougles (0624) 23712 Teles: 628554 SELET G London Representative 2-5 Old Bond St., London WI Tel 01-473 4244, Tix 28247 SCSLDN G

UNIQUE OPPORTUNITY oblished company seeks additional paid to promote revolutionary techcontains company sees countries oppid to grande any endutonary tech sological bracklinaugh in the nut tree industry. Over 200% increased production. Projected return reach 52% conscilly for decodes. Purilipation in a

BORROWERS, DO YOU NEED hide with your pre-emended large cold-terized locate Lock so further, the Arch Overseon Bank & Trust (West Indies) List, the anity commercial locate is reserved. It was the commercial locate in the conference of the commercial locate in the commerc

**BUSINESS SERVICES** OPPORTUNITIES Companies formed U.K. & worldwinduding the of Man, Turks & Caid Anguilla, Panawa and Liberia.

International Business Message Center

LEADING EUROPEAN FUR no stochurs/ wholesoler seeks par her or investor with 1 milion USS to sepand on European boxis, or revo stonary new and successfully tested r arteling method for exploiting the graving for cool and leather accessor business. Substantial profit parties atom and regal return on amestmak desured. Write Box 3107, Herold Tribune, 92521 Neurlly Cadex, France

OFFSHORE COMPANIES

Fiduciony & Institution (Company)
formations & deneofication | International text | Book accounts established (
General business octive & cestioning |
JPCR, 17 Widespale St, London El 7HP
Tale 01 307 1474, The (6/391) G PELM PRODUCTION COMPANY re-quest US\$1,000,000 additional fi-nancing for facture firm with interna-tionally known moves star, Substantial profit portiogeneous evaluatie. Write Box 3057, Hordi Yuham, 92521 Newlly Cades, France OFFSHORE/UK COMPANIES. Trust

CHISTORY UK COMPANDS. Trust, designation, conspiring ferments, etc., int'l fax, bank accounts, accounting, mail talax. Whitheston Services Lid., 23 College Hill, Landon ECR 200. Tel. 01-248 0802. The 884597 G. EVIS PRESELY MUSEUM, E-comp or vastment, \$50,000 min., \$1 million to-tol needed to tour first unique attraction in U.K., Europe, Inpon. Aus., USA, RNE Corp., P.O., Box 702, Pandoue, NY 11030, Tb. ZZ1273 TYCLR.

BEAUTIFUL PEOPLE

complete personal & business serv providing a usique collection of latented, versatie & multiinguol individuols for oil social & promotional occasions. 212-765-7793 330 W. 56th St., N.Y.C. 10019 Service Representativos Needed Worldwide.

COMMERCIAL & US MAILTARY
BUSINESS CONSURZANT
SERVICES SPECIALISTS
In marketing, pricing & contracting in
the U.S. international Contract Amo-cides Inc. P.O., Rox 2164, Warner Rob-ins, GA USA 31099 Tel. 972-929-3520. RELOCATING YOUR EMPLOYEE and family to London? We provide a unique 3-month orientation service as well as helping to find: the right home, schools for children, jobs for corporate spaces. Home from them Ltd, 19 Wallington, Spaces, Chelana, London SW3, UK, Tel: 01-730 3854

CONCISEGE CUR INC. The only private concerns service in the US available by southership only. Full range business & personal services by world rendered former concienges. For full details & brachuse please tales ofte. Mr. Toly Rogers 440687 or call 212-302-8556. NEW GESTION

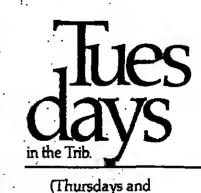
fettional opertment monagem in obsence. We handle all de PARS 48.07.20.88. HOW TO GET A 2xid PASSPORT, report - 12 countries onelyzed. De-toils: WAA, 45 Lynghurst Terroot Suite 501, Cannol, Hong Kong. DIAMONDS

DIAMONDS In distorted in any price range of lowest wholesole prices direct from Antwerp center of the diamond world full guarantee. For fine price list write JOACHEM GOLDGUSTEN DIAMAKEDSPORT Exhibitated 1996 Peliforanterson 62, B-2018 Antwerp Belguen - Tele 522 3, 224 67 51 Thu 71779 spi b. At the Diamond Cele Heart of Antwerp Diamond industry

Your presignous address on the FAURCURE ST HONCIRE SOF (plus land per month). Write or coll ALR, 93 Faubourg St. Honora, 75008 Paris Tele 47 42 13 13. Teles 649464 F. Commercial dominication lesse for commercial dominication lesse for commercial dominication lesse for commercial dominication research. YOUR PARIS ADDRESS RIGHT ON

THE CHAMPS ELYSES 11.DOSTY SERVICED OFFICES Telephone consuming, Telest, Fox secretarist, meeting room ACTE. 66 Champs System Paris Sth. Tels 45 62 66 00. The 649157F

OFFICES FOR RENT GENEVA - OFFICES FOR RENT lat February, 2 rooms, 2 Maghories + takes, fully equipped. Focing station and Spains. Tall: 22/31 90 29, rue du Mont Blanc.



Saturdays, too) Start your day

with a smile with

Jey 00 150

Imprime par Offprint, 73 rue de l'Evangile, 75018 Paris.